Advanced Education

Annual Report
2016-2017

Alberta
Government

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Alberta Advanced Education Annual Report 2016-2017

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Planning and Transparency Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 21 ministries.

The annual report of the Government of Alberta contains ministers' accountability statements, the consolidated financial statements of the province and the *Measuring Up* report, which compares actual performance results to desired results set out in the government's strategic plan.

This annual report of the Ministry of Advanced Education contains the minister's accountability statement, the audited consolidated financial statements of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:

- **the financial statements of entities making up the ministry including the Department of Advanced Education, regulated funds and provincial agencies for which the minister is responsible; and**
- **other financial information as required by the *Financial Administration Act* and *Fiscal Planning and Transparency Act*, either as separate reports or as a part of the financial statements, to the extent that the ministry has anything to report.**

Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2017, was prepared under my direction in accordance with the *Fiscal Planning and Transparency Act* and the government's accounting policies. All of the government's policy decisions as at June 1, 2017 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

original signed by

Marlin Schmidt
Minister of Advanced Education

Message from the Minister

Education is an important foundation for a healthy economy and society. A strong public adult learning system is key to providing learners with the knowledge and experience needed to lead productive and successful lives, and to contribute to our society and economy. Our government believes every Albertan deserves access to affordable and quality education that is accountable, coordinated and adequately funded for the future.

We are making life better for Albertans by making the post-secondary system more accessible and affordable. This includes stabilizing the adult learning system by providing predictable funding for the system and increasing base funding for post-secondary institutions by two per cent. Student loan disbursement expanded by 22 per cent. At the same time, scholarship disbursements increased by seven per cent, and grant disbursements increased by 16 per cent.

We extended the tuition freeze to a third year to provide time to work with stakeholders to review the tuition and fee model for public post-secondary institutions in Alberta. Additionally, all student aid programs are being reviewed to ensure they continue to meet student needs. The outcome of these reviews will provide the province with a more sustainable model for both tuition and funding, and align these models with the principles of the adult learning system to enhance accessibility, affordability, quality, accountability and coordination.

The government honoured its commitment to improve post-secondary student access to critical mental health supports with $3.6 million in funding. As well, we continue to work with the Ministry of Health to determine the best long-term approaches to meet the mental health needs of students.

The ministry is focused on providing opportunities for Albertans so our province has apprentices ready to work as the economy improves. We introduced the Apprentice Training Award to help over 2,600 unemployed apprentices resume their technical training. New funding was also provided to community organizations that deliver programming to encourage more youth, women and Indigenous people to discover and succeed in the trades.

Adult foundational learning is a priority as it empowers learners to develop the skills needed to achieve their goals and dreams. We successfully integrated the transfer of foundational learning programs from the Ministry of Community and Social Services (formerly Human Services). As well, we continue to align foundational learning programming within the ministry to better serve learners.

The department continued its work related to government's overall review of agencies, boards and commissions. Specifically, we initiated the final phase of the review, which focuses on public post-secondary institutions, to prepare options to strengthen governance excellence, oversight and accountability in Alberta's adult learning system.

Moving forward, the ministry will focus on buiiding a strong and sustainable adult learning system, one that helps Albertans develop the knowledge and skills needed to contribute to our society and a diversified economy.

original signed by

Marlin Schmidt
Minister of Advanced Education

Management's Responsibility for Reporting

The Ministry of Advanced Education includes:

- Department of Advanced Education
- Access to the Future Fund
- Public Post-secondary Institutions

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the ministry rests with the Minister of Advanced Education. Under the direction of the minister, I oversee the preparation of the ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliability – information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results.
- Understandability – the performance measure methodologies and results are presented clearly.
- Comparability – the methodologies for performance measure preparation are applied consistently for the current and prior years' results.
- Completeness – outcomes, performance measures and related targets match those included in the ministry's Budget 2016.

As deputy minister, in addition to program responsibilities, I am responsible for the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the province under ministry administration;
- provide Executive Council, the President of Treasury Board and Minister of Finance, and the Minister of Advanced Education the information needed to fulfill their responsibilities; and
- facilitate preparation of ministry business plans and annual reports required under the *Fiscal Planning and Transparency Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executives of the individual entities within the ministry.

original signed by

Rod Skura
Deputy Minister of Advanced Education

June 1, 2017

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Ministry Overview

Advanced Education aligned its services under three outcomes in 2016-17:

Outcome One	*High quality adult learning ensures Albertans have the education necessary to participate in their communities and a diversified 21st century economy*
Outcome Two	*Alberta's adult learning system is stable and learning opportunities are affordable*
Outcome Three	*Albertans are able to access the adult learning opportunities they need to achieve their goals*

Advanced Education supports opportunities to enrich the lives of Albertans, the communities they live in and the province as a whole through the adult learning system. The ministry is an active and strategic partner in cross-ministry initiatives to enhance Government of Alberta priorities: to build a stronger education and training system, to support economic diversification and the province's research and innovation system and to enhance learning opportunities for all Albertans.

Through Advanced Education's investments in people, infrastructure and research capacity across the adult learning system, the post-secondary sector helps support job creation, the development of skilled and adaptive workers and helps drive innovation in Alberta. These investments create an environment for ideas and creativity, further supporting innovation and quality research, and learning opportunities and collaborations that help contribute to an innovative, competitive and diversified Alberta economy.

Three main divisions within the ministry carry out the work of the department:

Advanced Learning and Community Partnerships	Apprenticeship and Student Aid	Strategic and Corporate Services
Works closely with post-secondary institutions, private post-secondary providers and community learning providers to support adult learners, provide learning opportunities and enhance the adult learning system. Advanced Learning and Community Partnerships provides funds to post-secondary institutions and community learning providers, approves programs of study, licenses and certifies private career colleges, and creates awareness of and encourages participation in post-secondary education. The division also supports policy, legislation and governance related to the post-secondary sector.	Provides leadership in the development of the skilled trades professionals needed to meet industry demand, and directly supports apprentices by funding technical training and acting as the registrar and issuer of trades credentials. The division provides student financial supports, including loans, grants, scholarships and awards. The division also supports students who participate in foundational learning programs, such as pre-apprenticeship, academic upgrading and English as a second language.	Integrates key ministry strategic and corporate functions including finance, information technology management, strategic policy and planning, governance and legislation, and cross-ministry and intergovernmental strategies. The division facilitates a coordinated approach to priority setting, policy development, strategic planning and resource allocation for the department. The division fosters a forward-thinking and service-oriented culture focused on partnerships through cross-divisional, cross-ministry and cross-government systemic approaches to opportunities and risk.

Department Organization

The ministry collaborates with learning providers, advisory boards, councils and authorities to fulfill its mandate.

Advisory Boards, Councils and Authorities

Access Advisory Council **

Alberta Apprenticeship and Industry Training Board

Alberta Council on Admissions and Transfer *

Alberta Heritage Scholarship Committees *

Campus Alberta Quality Council *

Students Finance Board **

* Under review as part of the Government of Alberta's review of agencies, boards and commissions.

** Under review, not currently in operation.

Entities included in Ministry Financial Statements

Ministry of Advanced Education

Department of Advanced Education

Funds	**Access to the Future Fund**	
Public Post-Secondary Institutions	*Comprehensive Academic and Research Institutions*	Athabasca University
		University of Alberta
		University of Calgary
		University of Lethbridge
	Baccalaureate and Applied Studies Institutions	MacEwan University
		Mount Royal University
	Polytechnical Institutions	Northern Alberta Institute of Technology
		Southern Alberta Institute of Technology
	Comprehensive Community Institutions	Bow Valley College
		Grande Prairie Regional College
		Keyano College
		Lakeland College
		Lethbridge College
		Medicine Hat College
		NorQuest College
		Northern Lakes College
		Olds College
		Portage College
		Red Deer College
	Specialized Arts and Culture Institutions	Alberta College of Art + Design
		The Banff Centre

More detailed information on the Ministry of Advanced Education can be found at **advancededucation.alberta.ca**

Discussion and Analysis of Results

Outcome One — *High quality adult learning ensures Albertans have the education necessary to participate in their communities and a diversified 21st century economy*

What this Means

Through high quality education and training, Albertans build the knowledge, skills and competencies needed to achieve their goals, support their families, serve their communities and adapt in an interconnected and rapidly changing economy. To this end, Advanced Education works with stakeholders to define common goals and ensure good governance and strong accountability in adult learning.

Senior Management Summary

- A vision and set of principles for Alberta's adult learning system was developed and approved. These guideposts will lead to a stronger system overall.
  - The learning principles inform the department's work, including system resourcing reviews.
- The department continued its work on the government's overall review of agencies, boards and commissions to improve services and ensure that public agencies are operating effectively, efficiently and providing value for Albertans.
- The ministry supported the needs of the province's growing learner population through post-secondary infrastructure funds.

Highlights

- The ministry developed a new vision for adult learning and aligned programs for the 2017-20 Ministry Business Plan under the vision. The principles of the vision are accessibility, affordability, quality, accountability and coordination.
- The department continues to review agencies, boards and commissions. The final phase of the review focuses on public post-secondary institutions in order to prepare options to strengthen governance excellence, oversight and accountability in Alberta's adult learning system.
- $530 million in funding was provided for capital projects in 2016-17 to develop high quality educational facilities to enhance student experience.

Key Strategy 1.1 Establish a common vision, outcomes and principles for adult learning in Alberta.

Adult Learning System Vision and Principles

In September 2016, the government approved a common vision, outcomes and principles for the adult learning system:

Vision • **Every Albertan has the same opportunity to fulfill their full potential and contribute to their communities by obtaining a high-quality post-secondary education regardless of financial circumstances.**

To help fulfill this commitment, core principles guide the Government of Alberta's vision for the adult learning system:

Accessibility • Every Albertan should have the same opportunity to get a post-secondary education.

Affordability • Every Albertan should have the same opportunity to get a post-secondary education, regardless of financial circumstances.

Quality • Albertans should get the best education possible here at home.

Accountability • Post-secondary education providers must be accountable to students, the government and Albertans.

Coordination • Albertans should get full advantage from a diverse post-secondary system.

The Adult Learning System Principles inform and guide policy development across the ministry, including significant policy reviews such as the Tuition and Fees Review, the Funding Model Review and the Roles and Mandates Review.

Looking Ahead: The Comprehensive Institutional Plan 2017-2020 Guidelines require institutional planning and reporting on the alignment of institutional goals and priority initiatives to the Adult Learning System Principles.

Key Strategy 1.2 Examine the roles and mandates of adult learning providers and the government.

A review of public post-secondary institutions' roles and mandates was initiated in February 2017 as a component of the government's review of agencies, boards and commissions. The objectives for the review are to validate Alberta's six-sector model, as articulated in the 2007 Roles and Mandates Policy Framework for Alberta's Publicly Funded Advanced Education System, and address challenges that some institutions have expressed relating to their current role and mandate.

The ministry is engaging with key stakeholders in 2017 to inform options and recommendations in alignment with the new adult learning system vision and principles and overall system needs. Any resulting policy and legislative changes are expected to be introduced in 2018.

Strengthening Research and Innovation in Alberta

Advanced Education, in partnership with Economic Development and Trade, is working towards further strengthening the research and innovation environment in Alberta. For example, the two ministries:

- Funded a workshop-based assessment of the science system in Alberta by the Council of Canadian Academies to provide an external view on how to strengthen Alberta's science enterprise.
- Are working to better leverage federal collaboration on key research priorities.

Key Strategy 1.3 Review Advanced Education's agencies, boards and commissions to ensure that they are relevant, efficient and effective.

Review of Agencies, Boards and Commissions

In Fall 2015, the Government of Alberta initiated a review of Alberta's public agencies, boards and commissions to ensure they are effective, relevant and accountable. The first phase examined agencies, boards and commissions governed by the *Alberta Public Agencies Governance Act* and included the Access Advisory Council, Alberta Apprenticeship and Industry Training Board, Alberta Council on Admissions and Transfer, Alberta Heritage Scholarships Committees, Campus Alberta Quality Council and Students Finance Board.

The final phase of the review was launched in January 2017. It focuses on post-secondary institution boards and includes four components:

- *Executive Compensation* — Review of compensation for presidents of public post-secondary institutions to ensure transparency, fairness and consistency with the broader public sector and comparable jurisdictions.
- *Conflict of Interest* — Review of post-secondary institution boards' conflicts of interest policies to ensure current policies and related oversight meet or exceed the minimum standards for the Alberta Public Service. This component is led by the Public Agency Secretariat and aligns with broader government work related to conflicts of interest policies.
- *Roles and Mandates* — Review and validation of the six-sector model articulated in the 2007 Roles and Mandates Policy Framework, and resolution of outstanding requests from individual post-secondary institutions related to their current roles and mandates.
- *Governance Excellence* — Review of board composition and system governance, including the Campus Alberta Strategic Directions Committee, and the role of government relative to the adult learning system.

The scope of the review was communicated with post-secondary institutions in February 2017 with consultation activities focused primarily on the executive compensation and roles and mandates components underway through 2017.

Board Recruitment and Appointments

The department continues to support transparent, competency-based recruitment and appointment processes. In September 2016, the department incorporated wider Government of Alberta appointment and recruitment guidelines within established department processes.

There are 341 board opportunities across the post-secondary sector. Between April 2016 and March 2017, the department posted 44 board recruitments representing approximately 80 board openings, and received over 1,100 applications. The department processed 87 public member and 56 representative appointments. The backlog of board vacancy numbers was reduced from a high of 60 in November 2016, to a low of 32 in March 2017.

Key Strategy 1.4 Invest in high quality educational facilities to enhance student experience.

Capital Project Funding

Advanced Education made significant investments in post-secondary infrastructure. In total, approximately $530 million in funding was provided for a variety of capital projects in 2016-17 to develop high quality educational facilities to enhance student experience. This included provincial funding for capital projects, maintenance and renewal.

The ministry provided approximately $186.2 million in funding for government's existing allocation for multi-year capital projects in Edmonton, Calgary, Lethbridge and Red Deer. Examples include:

- $46.8 M ▸ Mount Royal University Library and Learning Centre
- $45 M ▸ NorQuest College Expansion and Retrofit
- $25.5 M ▸ University of Calgary Schulich School of Engineering
- $24.7 M ▸ NAIT Centre for Applied Technology
- $20 M ▸ Red Deer College Multiplex
- $14.2 M ▸ Lethbridge College Trades and Technology Renewal and Innovation Project
- $10 M ▸ MacEwan University City Centre Campus

In collaboration with the Ministry of Infrastructure, Advanced Education supported several capital projects to meet the needs of the growing learner population. In 2016-17, funding of $157.4 million was provided to four major capital projects:

- $125 M ▸ University of Lethbridge Destination Project: accelerated and additional funding
- $16 M ▸ NorQuest College Expansion and Retrofit: restored funding
- $8.6 M ▸ University of Calgary MacKimmie Complex Project Planning
- $7.8 M ▸ Keyano College Facility Upgrades

The ministry provided institutions with $101.6 million in funding to ensure students have access to modern and high quality learning environments:

- $101 M ▸ Capital maintenance and renewal
- $0.6 M ▸ Green infrastructure

The ministry received $84.5 million through the Strategic Investment Fund from the federal government and provided funding to post-secondary institutions in fiscal 2016-17.

Research Impact

The University of Lethbridge Destination Project broke ground in 2016. The 36,000 square metre science and academic building will give students access to leading-edge labs and programming, increasing capacity in science programs by 450 students. The new building will support business development and commercialization activities and will be a science center for southern Alberta.

The Destination Project's innovative construction plans include flexible lab spaces, dedicated space to bring ideas and research to reality, science displays, classrooms and meeting rooms, and gathering areas that meet the needs of students, staff, industry and the community today and in the future.

Government has committed $248 million to the Destination Project over the next five years. The new science and academic building is expected to open for faculty and students in the Fall of 2019.

Federal Post-Secondary Strategic Investment Fund

The post-secondary Strategic Investment Fund (SIF) was launched on April 6, 2016 as a federal government initiative. It provides up to $2 billion over the next two years to accelerate infrastructure projects in post-secondary institutions across Canada. The goal of the SIF is to support projects that:

- improve the scale or quality of facilities for research and innovation, including commercialization spaces;
- improve the scale or quality of facilities for specialized training at colleges focused on industry needs; and
- improve the environmental sustainability of research and innovation-related infrastructure at post-secondary institutions and college training infrastructure.

Forty-four projects were approved for Alberta's public post-secondary institutions. The provincial government, alongside the federal government, invested in modernizing post-secondary infrastructure to better prepare students for success in a diversified 21st century economy.

Key Strategy 1.5 *Support international education and internship programs to develop learners who can successfully engage in the global economy and contribute to Alberta's prosperity.*

Advanced Education distributed over $1 million in grants to fund the participation of post-secondary students in international study and research programs in 2016-17. Major grant programs include the Campus Alberta Grant for International Learning, the Alberta-Smithsonian Internship Program and the Washington Center Alberta Internship Program.

During 2016-17, Campus Alberta Grant for International Learning funding of $368,250 supported 36 programs at 13 Campus Alberta institutions with 490 students travelling to 34 countries.

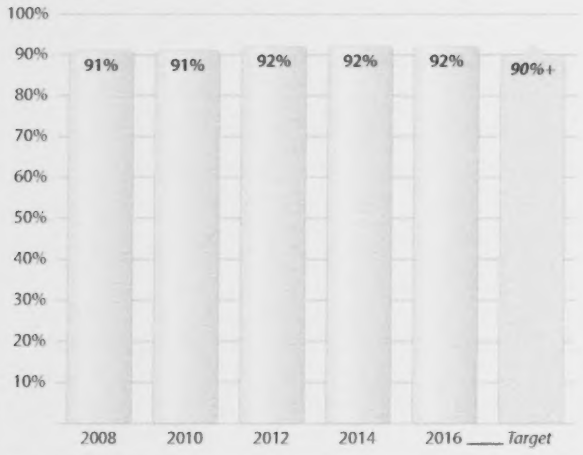
These programs provide Albertans with an opportunity to acquire knowledge and competencies to support economic diversification and growth, and encourage business creation and attraction. International education and internship programs also allow Albertans to engage as global citizens in an increasingly interconnected world.

Student Impact

"The amazing amount of talent I was exposed to through the Alberta-Smithsonian Internship Program was an eye-opener. It made me aware of the opportunities that are out there…this is an amazing program, a once-in-a-lifetime opportunity."

Kitty Dang, Intern at the Smithsonian Center for Learning and Digital Access, Fall 2016

Performance Measure 1.a *Satisfaction of Recent Post-Secondary Graduates with the Overall Quality of their Educational Experience*



Source: Advanced Education, 2016 Graduate Outcomes Survey (Class of 2013-14) – Publicly Funded Institutions Report
Endnote: A, C

Rationale

This measure reflects several aspects of learning experience that may include, but are not limited to, graduates' perception of their professors, curriculum, skill development and personal growth. It gives a broad indication of the quality, outcomes and relevance of Alberta's post-secondary programming, and indicates the satisfaction level of graduates with their educational experience.

Results and Target Analysis

This measure is drawn from the results of the Graduate Outcomes Survey. It is calculated by dividing the number of respondents who were satisfied or very satisfied with the overall quality of their educational experience by the total number of responses.

The actual result (92%) meets the target of 90%+ for the 2016 survey year. The target was also met individually by each type of credential (certificate, diploma, applied degree, bachelor's degree, master's degree and doctoral degree), and for each institutional sector except specialized arts and culture (see Appendix – Table 3 for a list of sectors and institutions). The fields of study in which graduates exhibited the highest satisfaction were legal and security (96%) and business (93%). The fields of study in which graduates exhibited the lowest satisfaction were recreation (89%) and physical, natural and applied sciences (89%).

Variance and Trend Analysis

Historically, this measure has been stable over time; there has been no overall change in this measure since the 2014 survey year. There were also no significant changes in satisfaction within any institutional sector or credential type. Satisfaction among graduates in the legal and security field of study increased by four percentage points, while satisfaction fell by three percentage points among graduates in the field of recreation. However, these are the smallest fields of study in the data set and thus subject to more random variation.

Note

The target for the 2016-17 Ministry Annual Report was set in the 2016-19 Ministry Business Plan and corresponds to the results of the 2016 Graduate Outcomes Survey (Class of 2013-14) – Publicly Funded Institutions Report. Only learners who completed programs from one of Alberta's publicly funded post-secondary institutions were included in this survey. No response/don't know responses were excluded from the analysis in this measure. The results of some questions may not sum to 100% due to rounding.

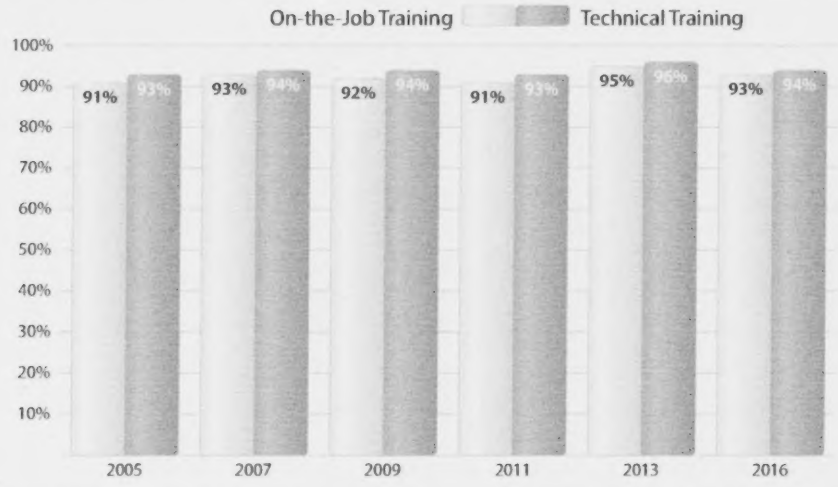
References

For a breakdown of results by credential type, field of study and sector, see section 4.4 of the 2016 Graduate Outcomes Survey (Class of 2013-14) – Publicly Funded Institutions Report.

For a list of institutions in each sector, see Appendix – Table 3.

For more details on the Graduate Outcomes Survey and sampling considerations, see Endnotes A and C on pages 114-115.

Performance Measure 1.b *Satisfaction of Recent Apprenticeship Graduates with On-the-Job Training and Technical Training*



Source Advanced Education, Survey of Graduates of the Apprenticeship and Industry Training System, Comprehensive Report
Endnote B, C

Rationale

For on-the-job training, this measure reflects several aspects of training experience that may include, but are not limited to, the quality of training provided by the supervising journeyperson, skill development and task relevance. For technical training, level of satisfaction reflects several aspects of training experience that may include, but are not limited to, the system's ability to meet learner needs in terms of relevance and quality of the training content, teaching ability of instructors and adequacy of equipment. Apprenticeship graduates' satisfaction with their on-the-job training and technical training provides an overall indication of the quality of training provided through Alberta's apprenticeship training system.

Results and Target Analysis

These results are drawn from the Survey of Graduates of the Apprenticeship and Industry Training System, Comprehensive Report. The first part of this measure is calculated by dividing the number of apprenticeship graduates who were satisfied or very satisfied with the overall quality of their on-the-job training by the total number of respondents. The second part of the measure is calculated in the same way, except respondents are asked about the overall quality of their technical training.

No target was set during the publication of the 2016-19 Ministry Business Plan due to the biennial survey cycle. The Survey of Apprenticeship Graduates is typically conducted every other year. However, after a review in 2015, the most recent survey was conducted with apprentices who graduated in 2014-15. Although the results from this 2016 survey were two percentage points lower than the 2013 survey results, they still exceed the 90%+ target. Both previous and future targets for this measure are at 90%+ to reflect the historical trend in results. It is challenging to set a realistic target that can demonstrate small incremental changes above the 90% level.

Variance and Trend Analysis

Results from the last five years have been stable at over 90% for both on-the-job and technical training. This indicates that overall, graduates were satisfied with the on-the-job and technical training components of their apprenticeship program. The two percentage point decline in satisfaction with each component of training was fairly uniform across trade groups compared to the 2013 results.

The current economic downturn may have been one of the contributing factors behind the decline in the perceived level of satisfaction. The 2016 survey results showed that the proportion of graduates employed at the time of this survey was significantly lower than previous survey years, reaching its lowest point in the past five cycles.

References

For more details on the Survey of Graduates of the Apprenticeship and Industry Training System, Comprehensive Report, see Endnotes B and C on pages 114-115.

Outcome Two

Alberta's adult learning system is stable and learning opportunities are affordable

What this Means

Alberta's adult learning system needs stable and predictable funding to be successful. Likewise, many Albertans need financial support to achieve their learning goals. Advanced Education works with stakeholders and citizens to ensure both the system and individuals are appropriately resourced.

Senior Management Summary

- The ministry delivered an increased amount of provincial funding (loans, grants, scholarships and awards) to a growing student population, including apprentices, making their post-secondary educational goals more accessible and affordable.
- The ministry increased the institutional base operating funding by two per cent in 2016-17. This supports the delivery of post-secondary programming across the province and ensures the system is appropriately resourced.
- Stakeholders were consulted on system resourcing reviews, including discussions regarding the development of a more stable and predictable set of tuition and funding mechanisms for the future.

Highlights

- The ministry provided $2.1 billion in operating funding to Alberta's post-secondary institutions through the Campus Alberta Grant.
  - 26 publicly funded post-secondary institutions were supported to deliver formal learning opportunities.
  - 268,000 students took advantage of learning opportunities at these institutions in the 2016-17 academic year.
- The tuition freeze was extended through to the 2017-18 academic year.
  - With the tuition freeze, in 2016-17, Alberta undergraduate students paid an average of $623 less in full-time tuition than the national average, and over 260,000 full-time and part-time students and apprentices will save roughly $16 million next year.
  - During the tuition freeze, the ministry is working with stakeholders to review the current tuition and fee models for public post-secondary institutions.
- Over 81,600 students were supported through a combination of federal and provincial loans and grants.
  - Alberta provided $654.5 million in student loans and $50.5 million in grants. This was an increase of $117.7 million (22 per cent) in Alberta loan disbursements and $7 million (16 per cent) in Alberta grants.

Key Strategy 2.1 Provide stable and predictable funding to the post-secondary system.

Post-Secondary Funding

As part of government's commitment to provide stable and predictable funding for the post-secondary system, base funding for post-secondary institutions was increased by two per cent in 2016-17.

In 2016-17, the ministry provided over $2.3 billion in operating funding to publicly funded post-secondary institutions to ensure a solid foundation for Alberta's advanced learning providers. The major components of funding provided by Advanced Education in 2016-17 were:

$2,141 M	Campus Alberta Grant	Supports the delivery of approved credit programs, including apprenticeship programs and other programs designated for student financial assistance
$54.5 M	Apprenticeship Technical Training Grant	Supports the provision of apprenticeship technical training at Alberta's 11 technical training providers and is provided in addition to the Campus Alberta Grant
$52.7 M	Targeted Enrolment Funding	Increases learner access to a range of high-demand programs in fields such as engineering, occupational and physical therapy, and early learning and child care
$21.0 M	Academic Health Centers	Supports the recruitment and retention of clinical faculty at the University of Alberta and University of Calgary medical schools
$16.0 M	Tuition Freeze Offset	Covers the lost revenue associated with the tuition freeze
$13.8 M	Health Workforce Action Plan	Supports expanded health education program delivery for specified health professions forecast to be facing shortages
$10.2 M	Supports for Students with Disabilities	Enhances institutional capacity to accommodate students with disabilities

Campus Alberta Grant

The Campus Alberta Grant provides operating funding to the province's 26 publicly funded post-secondary institutions and allows for the delivery of a broad spectrum of formal learning opportunities to over 268,000 students attending these institutions. This funding advances Alberta's social and economic prosperity while removing barriers so that Albertans can reach their full potential.

Through the grant, institutions provide quality programming as measured by self-reported student satisfaction (see Measure 2.a). Results from the 2016 Graduate Outcomes Survey indicate the vast majority of 2013-14 graduates were satisfied:

- overall (92 per cent),
- with the quality of teaching in their program (91 per cent), and
- with the quality of their program (90 per cent).

The grant enables institutions to produce approximately 50,000 graduates annually in many fields, many of whom then enter the workforce. When surveyed in 2016, graduates from 2013-14 had an employment rate of 92 per cent.

Research Impact

The grant contributes to cutting edge pure and/or applied research and knowledge development. The research component is critical to attract and retain the talent that drives innovation in Alberta.

Post-secondary talent enables Albertans and Alberta companies to be responsive to the dynamic 21st century economy by providing industry with the expertise and new knowledge needed to improve their competitiveness and expand into new sectors.

System Resourcing Review

On October 19, 2016, the ministry announced its intent to review the current approach to funding the post-secondary system, including tuition and fees. The goal of the review is to develop a model that provides stable and predictable funding to post-secondary institutions that aligns with the principles of the adult learning system to enhance accessibility, affordability, quality, accountability and coordination.

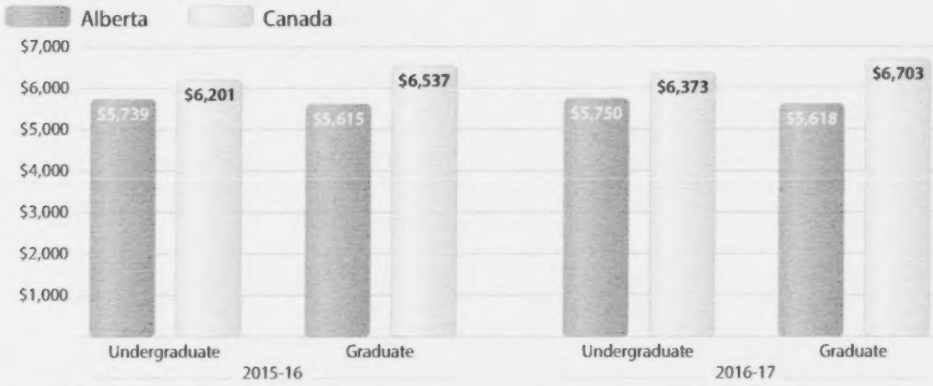
Department staff developed and distributed a consultation guide to stakeholders and received 30 written submissions representing 34 stakeholder groups, including student associations, faculty associations and institutions. The funding review concluded the first phase of consultation in January 2016.

The department secured a team of consultants to analyze the consultation results, conduct research and analysis on post-secondary funding, and develop potential funding allocation models for Alberta. This work is expected to inform Alberta's 2018 budget.

Key Strategy 2.2 *Assess Alberta's approach to tuition and other fees in the context of student affordability and system resourcing.*

The average tuition for an undergraduate student in Alberta was $623 lower than the national average in 2016. Similarly, the average tuition for a graduate student in Alberta was $1,085 lower than the national average.

Average Tuition by Year and Level of Study



Source Statistics Canada, CANSIM Table 477-0077 – Canadian and international tuition fees by level of study, annual (dollars)

Note Data for 2016-17 is preliminary. The national and provincial tuition fee averages are weighted with the latest enrolment data (2013). This data does not take into account financial assistance or tax rebates provided to students.

Tuition Freeze Extended

The continuation of the tuition freeze through the 2016-17 and 2017-18 academic years provides the ministry with the time to work with stakeholders to review the tuition and fee model for public post-secondary institutions in Alberta.

Tuition Review

This review will help set future direction on how to increase post-secondary education costs fairly while also providing students with predictability so they can plan for their education.

The ministry established an external stakeholder advisory group to provide perspectives and advice on potential policy solutions for moving forward. This group includes student, institutional, apprenticeship and government representatives. In addition to tuition, the consultation will include discussions around related topics, including mandatory non-instructional fees, international student tuition and apprenticeship tuition. Discussions will also include how student aid can best support students, including loans and repayment, grants, awards and scholarships.

In 2016-17, the ministry made strides in reviewing the tuition and fee model. The ministry:

- received 29 written submissions from individuals and post-secondary stakeholders,
- received 4,190 survey responses providing input on tuition increases, and
- held public consultations and heard from learners, administrators, faculty members and other Albertans about what changes need to be made to the current tuition model.

Key Strategy 2.3 Develop and deliver student aid supports that help Albertans take advantage of adult learning opportunities.

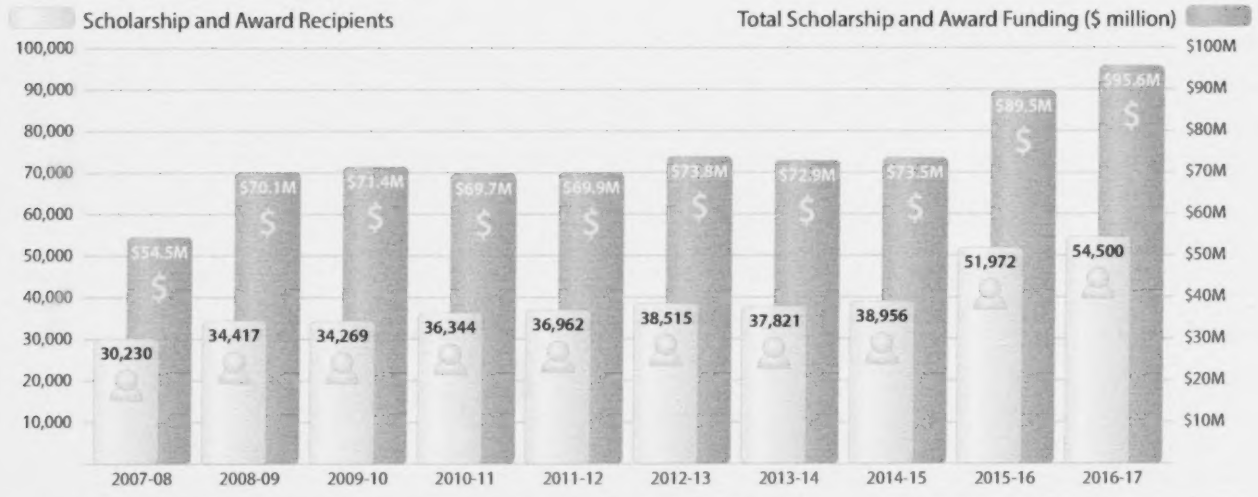
Advanced Education provides a variety of funding supports for post-secondary learners:

- Student loans are available to reduce financial barriers and help post-secondary students cover basic learning and living costs.
- Grants are available to Alberta student loan borrowers, including low income student loan borrowers and those caring for children.
- Scholarships are provided to learners who demonstrate academic excellence.
- Awards are provided to encourage access and participation in adult learning opportunities.

The number of students who received loans, grants, scholarships and awards has increased steadily since 2012.

Scholarships and Awards

Provincial Scholarship and Award Funding



Source: Advanced Education

Note: Scholarship and award numbers from 2014-15 forward were based on the ministry's audited financial statements. Numbers prior to 2014-15 were based on reports from Alberta's student finance system and may not be entirely comparable.

Total scholarship funding increased by $6 million (7 per cent) between 2015-16 and 2016-17. During the same period, the total number of scholarships increased by over 2,500.

Loans and Grants

Since earnings, savings, family income, RRSPs, scholarships and awards are no longer used to determine eligibility, Alberta student loans are more available to help students cover basic learning and living costs.

Alberta student loan borrowers benefit from flexible repayment options. Student loans are interest-free during a student's studies, and for a further six months after a borrower leaves their studies. After the six-month grace period, the interest on their loans is charged at the prime lending rate.

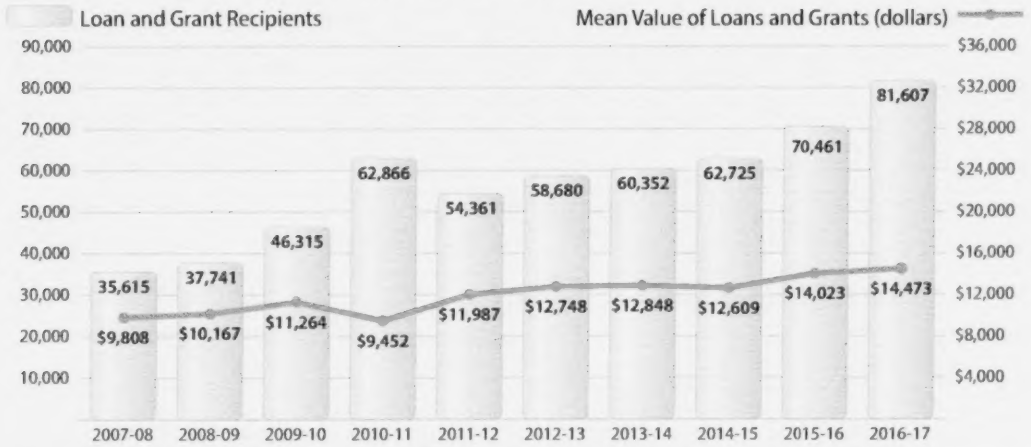
The Repayment Assistance Plan ensures eligible student loan borrowers have access to manageable payment amounts based on their income and family size. Improvements to the plan included:

- Income threshold levels were raised.
- Repayment is not required until borrowers earn an income equal to or greater than $25,000 per year.

More than 90 per cent of Alberta student loan dollars issued are expected to be repaid by student borrowers. According to the Student Aid Loan Manageability Survey, 93 per cent of Alberta student loan borrowers agreed that they will be able to repay their student loans.

In 2016-17, Advanced Education provided $50.5 million in grants to over 17,000 student loan borrowers.

Loan and Grant Funding (Number of Recipients and Mean Value)

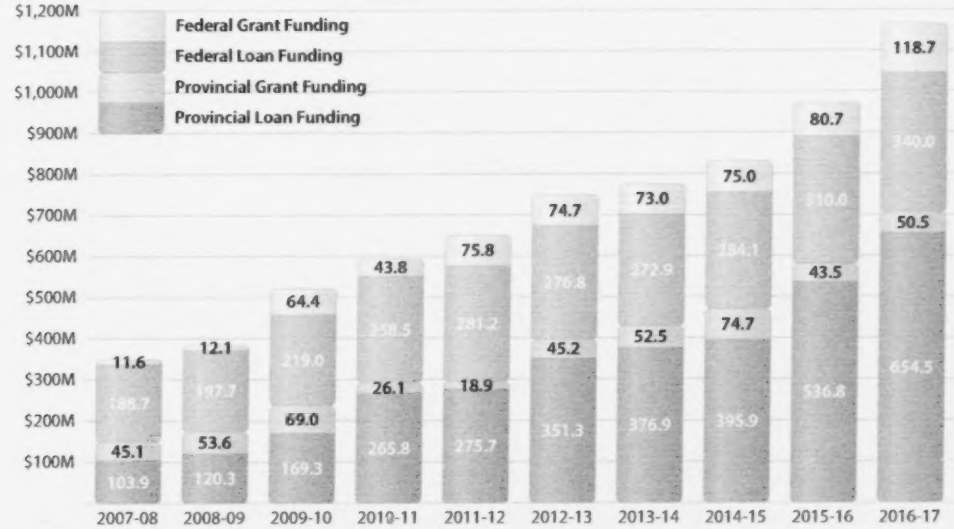


Source: Advanced Education

Note: Provincial loan and grant numbers from 2014-15 forward were based on the ministry's audited financial statements. Numbers prior to 2014-15 were based on reports from Alberta's student finance system and may not be entirely comparable.

The number of grant and loan recipients increased by 11,146 (16 per cent) between 2015-16 and 2016-17.

Loan and Grant Funding (Provincial and Federal)



Source Advanced Education

Note Provincial loan and grant numbers from 2014-15 forward were based on the ministry's audited financial statements. Numbers prior to 2014-15 were based on reports from Alberta's student finance system and may not be entirely comparable.

Total provincial loan funding increased by $118 million (22 per cent) between 2015-16 and 2016-17. Total provincial grant funding increased by $7 million (16 per cent) between 2015-16 and 2016-17.

Deferred Loans for Wood Buffalo Students

The Government of Alberta extended the deferral of repayment and interest-free period to March 1, 2017 for student loan borrowers affected by the Wood Buffalo wildfire so they could focus on their immediate needs. Over 500 students benefited from payment and interest deferrals.

Student Impact

"This extra time makes a huge difference in the lives of our students, many of whom have been adversely affected by the recent wildfires. Many of our students have been displaced from their homes and face other stresses. We are grateful to Alberta Advanced Education for their assistance and support during this difficult time for our community."

Fatima Dhooma, 2016 President, Students' Association of Keyano College

Key Strategy 2.4 Capitalize on existing data, improve information sharing and develop better analytics to enhance ministry decision-making.

The ministry is linking relevant existing data and collecting new data to better understand client groups and their perceptions and behaviours. The collected and connected data supports evidence-informed decision-making and policy development.

Alberta's Learner Pathways System and Information Sharing

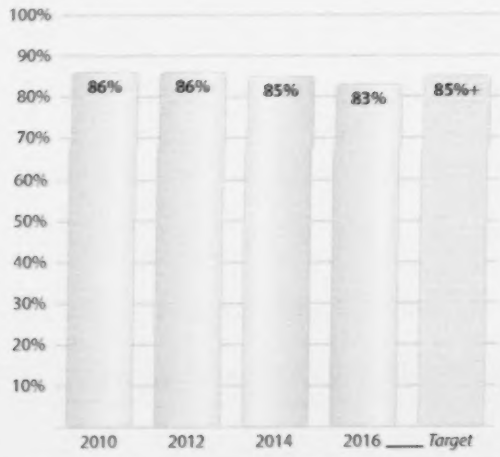
The Alberta Council on Admissions and Transfer held consultations in July 2015, and heard from students and stakeholders about issues and concerns with transferability within Alberta's adult learning system, such as the lack of access to key information and/or the lack of learner awareness on transferring credits between institutions.

In response to the consultations, phase two of the Learner Pathways Modernization Initiative: Transfer System Modernization (see Key Strategy 3.4) resulted in the development of Alberta's Learner Pathways System. The modernization involved several changes in data collection, including the development of a new mechanism to collect 'transfer credit awarded' data from institutions. This marks the first time that provincial transfer credit data will be collected in Alberta.

Statistics Canada Collaboration

In 2016-17, the ministry collaborated with Statistics Canada, the Council of Ministers of Education Canada and partner post-secondary institutions on a project to investigate the long-term labour market outcomes of post-secondary graduates. The project focused on linking student data with financial information collected by Statistics Canada.

Performance Measure 2.a *Percentage of Recent Post-Secondary Graduates who Believe their Program was Worth the Financial Cost*



Source Advanced Education, 2016 Graduate Outcomes Survey – Class of 2013-14 – Publicly Funded Institutions Report
Endnote A, C

Rationale

This measure reflects the financial costs associated with post-secondary education, as well as the financial and non-financial benefits of post-secondary education. It allows the ministry to track the affordability of post-secondary studies relative to the benefits provided to the learner.

Results and Target Analysis

This measure is drawn from the results of the Graduate Outcomes Survey. It is calculated by dividing the number of respondents who agreed or strongly agreed that their program was worth the financial cost by the total number of responses.

Compared to the 2014 survey year results, agreement rates declined by two percentage points from 85% to 83% and results were short of the target by two percentage points. The percentage of respondents who answered *agree* fell approximately four percentage points; those who answered *strongly agree* increased approximately one percentage point (figures do not sum due to rounding). Agreement rates were at least 72% across all income brackets, fields of study and credential types. Agreement rates tended to be highest among graduates in the business, health sciences and education fields of study. Agreement rates tended to be lowest among graduates in the recreation and language arts fields of study. Stronger agreement was also reported among graduates who received either a diploma or master's degree credential, and among graduates with smaller student loans.

Variance and Trend Analysis

Many of the variables that could influence a graduate's financial valuation of their education have either remained constant or improved. For example, there were no significant changes in real median income, average undergraduate tuition or overall program satisfaction since the 2014 survey year. As well, the median government and financial institution student debt load fell by $2,000. However, employment fell by 2% between the 2014 and 2016 survey years, and the fraction of recent graduates who returned to school increased from 6% to 14%. The increase was even larger among graduates with bachelor's degrees. These changes in employment and labour force participation suggests that declining agreement rates may be partially driven by the greater difficulties faced by graduates when searching for suitable employment.

Note

The target for the 2016-17 Ministry Annual Report was set in the 2016-19 Ministry Business Plan and corresponds to the results of the 2016 Graduate Outcomes Survey (Class of 2013-14) – Publicly Funded Institutions Report. Only learners who completed programs from one of Alberta's publicly funded post-secondary institutions were included in this survey. No response/don't know responses were excluded from the analysis in this measure and the results of some questions may not sum to 100% due to rounding.

References

For a breakdown of results by credential type, field of study and sector, see section 4.5 of the 2016 Graduate Outcomes Survey (Class of 2013-14) – Publicly Funded Institutions Report. For overall satisfaction levels, see section 4.3 in the report. See figure 5.7.4 for median debt trends, figure 7.8.4 for employment trends, figure 7.8.8 for labour force participation trends and figure 7.8.11 for median income trends.

See Statistics Canada's CANSIM Table 477-0077 for undergraduate tuition trends.

For a list of institutions in each sector, see Appendix – Table 3.

For more details on the Graduate Outcomes Survey and sampling considerations, see Endnotes A and C on pages 114-115.

Outcome Three

Albertans are able to access the adult learning opportunities they need to achieve their goals

What this Means

Albertans have diverse needs influencing where, when and how they learn as adults. Advanced Education works with stakeholders and citizens to ensure access to adult learning is equitable and flexible.

Senior Management Summary

- Responsibility for providing funding to learners in foundational learning programs was transferred from Community and Social Services (formerly Human Services) to Advanced Education.
  - The ministry continued to seamlessly provide full- and part-time foundational learning opportunities to enhance access and strengthen pathways for learners, as well as increase the number of funded learners during the transition.
- The ministry had several IT modernization initiatives to improve customer service levels and increase students' access to information they need for funding and studies. These included initiatives in Apprenticeship and Industry Training and Student Aid Alberta.
  - The completion of the Learner Pathways Modernization Program provides Albertans with greater access to information about pathways and mobility, providing students with greater agency over pathway decisions.
- To address the diverse needs of Alberta's post-secondary students, the ministry continued funding for several initiatives and programs, including the Indigenous Student Awards, the new Apprentice Training Award and the development of a long term approach to mental health.

Highlights

- Through the Indigenous Careers Awards, the ministry provided $6.5 million to 1,680 First Nations, Métis and Inuit students.
- By providing ongoing support and updated guidelines for Community Adult Learning Programs, the ministry continued to support access to literacy and foundational learning programs in communities across Alberta.
- During the transition of foundational learning programs to Advanced Education, the ministry maintained strong support services to both learners and stakeholders, providing $78.8 million in funding to over 9,000 clients. Programs and services were delivered without interruption during and after the transition.
- The Apprentice Training Award is a $1,000 financial incentive to second, third or fourth period registered apprentices unemployed in their trade to continue their training and progress towards journeyperson certification.
- The ministry invested $3.6 million towards providing post-secondary student access to critical mental health supports. This funding supported the hiring of health practitioners, as well as the provision of mental health workshops, stress reduction events and peer support programs.

Key Strategy 3.1 Work in partnership with Alberta's Indigenous people to develop improved learning opportunities for adult Indigenous learners in the province.

The focus of this strategy aligns the ministry's work with the *United Nations Declaration on the Rights of Indigenous Peoples* and the Truth and Reconciliation Commission of Canada Calls to Action. These foundational documents guide ministry activities and initiatives towards the protection of the individual and collective rights of Indigenous peoples, to ensure they can participate as equals in all aspects of Alberta's society while maintaining their cultures and unique identities.

Post-secondary institutions have a fundamental role to play in moving forward with reconciliation as universities and colleges produce future influential teachers, lawyers, doctors, public servants, journalists and other trained professionals.

First Nations College Grant

First Nations Colleges deliver an educational experience while fostering First Nations culture and traditions. The ministry continued to provide the First Nations College Grant to five First Nations Colleges that offer a range of programming opportunities from literacy to credentialed programming.

A one-time $200,000 grant was provided to the University nuhelot'įne thaiyots'į nistameyimâkanak Blue Quills (UnBQ) to offer training sessions to more effectively engage and meet the needs of Indigenous foundational learners. The remaining First Nations Colleges were provided with $30,000 each to participate in developing the training.

Indigenous Student Awards

Advanced Education continued to help prepare Indigenous post-secondary students for success. Based on a successful pilot in 2015-16, $6.5 million in Indigenous Careers Awards were available to First Nations, Métis and Inuit students. Eligible undergraduate students may receive up to $4,000 per year and eligible graduate students may receive up to $15,000. It is anticipated that approximately 1,500 students will benefit from the awards each year. In the 2016-17 academic year, 1,680 students received an award.

In collaboration with the ministries of Labour and Education, Advanced Education contributed $300,000 towards a grant for CAREERS: The Next Generation's *Aboriginal Youth Initiative*. The grant will enable Indigenous youth to engage in career path discovery and exploration through hands-on experience, career readiness programs and paid internships. Approximately 450 Indigenous students will benefit from the opportunity this grant provides.

Advanced Education also contributed:

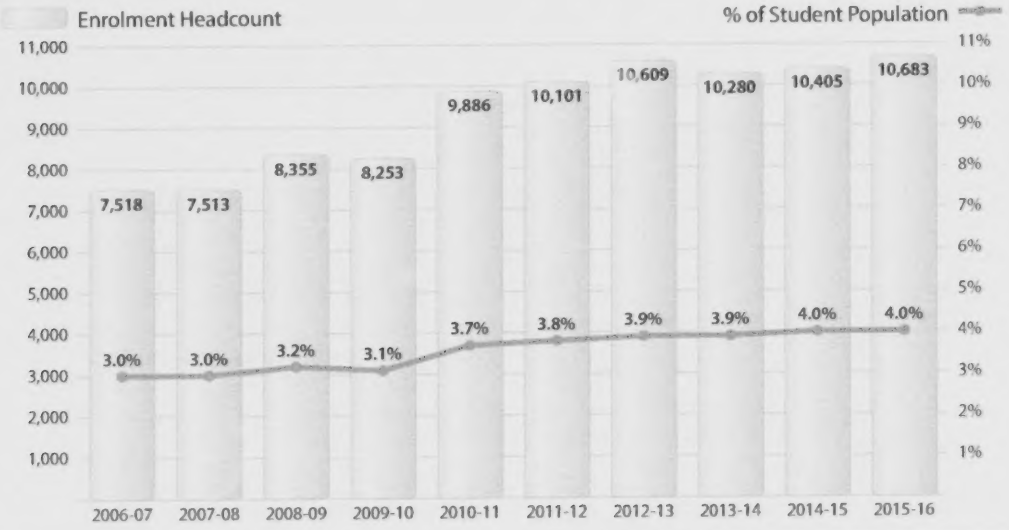
- A total of $300,000 as a grant to the North East Alberta Apprenticeship Initiative, which provides mentoring and wrap around supports to Indigenous participants. Some participants will become registered apprentices in the trade of their choice while others will be registered occupational trainees in the Construction Craft Labourer occupation.
- A further $300,000 to Tradewinds to Success Training Society, which provides academic upgrading and skill development programs that help students successfully enter and complete an apprenticeship.

Self-Identified Indigenous Student Enrolment

Advanced Education collaborated with the ministries of Indigenous Relations, Labour and Community and Social Services (formerly Human Services) to increase the number of Indigenous learners participating in adult learning and achieving program learning outcomes. Between the 2014-15 and 2015-16 academic years, the number of students identifying as Indigenous increased by three per cent.

Since the 2006-07 academic year, the number of students identifying as Indigenous has increased. The average annual growth rate is approximately four per cent.

Indigenous Student Enrolment



Source Advanced Education, Learner and Enrolment Reporting System (LERS)

Note Since Indigenous students self-identify on post-secondary application forms, data may underestimate Indigenous enrolment. Enrolment numbers include apprentices enrolled in technical training at a publicly funded post-secondary institution, but do not include data from The Banff Centre.

Key Strategy 3.2 Improve coordination of the government's approach to foundational learning programming.

Foundational learning is the full range of formal and informal learning intended to bring adult learners to the level of high school equivalency and includes literacy, essential skills, English language learning, academic upgrading, adult basic education and integrated training.

Transition to Advanced Education

To improve service delivery on employment, learning and training, programs and services were realigned among the ministries of Advanced Education, Labour and Community and Social Services (formerly Human Services) under the *Income and Employment Supports Act* and its regulations.

In April 2016, the responsibility and oversight of foundational skills training transferred from Community and Social Services to Advanced Education. During the transition period, Advanced Education collaborated with partner ministries to ensure seamless delivery of programs and services to learners and stakeholders, and saw an increase in the number of funded learners attending foundational programs.

Post-Secondary Programs

Under the *Post-secondary Learning Act*, post-secondary institutions provide approved, non-credential foundational learning programs. Publicly funded institutions, First Nations Colleges, private career colleges, non-profit organizations and K-12 outreach schools deliver programs approved for foundational learning supports.

The delivery of foundational learning programs is supported by block funding from the Campus Alberta Grant. In 2015-16, over 21,000 learners in academic upgrading, English as a second language, employment skills and adult basic education accessed foundational learning programs at Alberta post-secondary institutions.

Foundational Learner Supports

Financial support for learners is available for academic upgrading, adult basic education, English language learning, integrated training and basic skills training to help adult Albertans transition to post-secondary studies or employment.

The following table provides information on learners based on program:

Program 2016-17	Monthly Average Attendance
Part-Time Training	2,989
Full-Time Training	
Academic Upgrading	3,652
Training for Work	1,352
English as a Second Language	1,363
Total	9,356

Source: Mobius Database report on learner statistics

Looking Ahead: The 2017-18 Advanced Education budget allocated $80.4 million to support an estimated 9,000 adult learners in foundational learning programs. Funding covers the cost of tuition, books, mandatory fees and monthly living costs. Funding comes from the following sources:

- $30.3 M ◂ Government of Alberta
- $28.9 M ◂ Labour Market Development Agreement
- $21.2 M ◂ Canada Alberta Job Fund

Community Adult Learning Program

The Government of Alberta has supported community-based adult learning across the province for over 40 years. In 2016-17, the government provided approximately $15 million in funding to 124 non-profit and other organizations that provide community adult learning programs. These organizations served over 400 different communities as the primary—and often only—local adult learning provider. Their services supported more than 17,000 unique adult learners to access over 24,000 foundational learning opportunities.

After extensive consultation with internal and external stakeholders between 2012 and 2015, the ministry released new guidelines in 2016 for the Community Adult Learning Program. These guidelines refocus the program on literacy and foundational learning, which includes adult literacy, numeracy, English language learning, basic computer skills, foundational life skills and family literacy.

Community Impact

A Community Adult Learning Program grant of $260,000 supported Lethbridge Public Library's Read On Program, which has helped Albertans improve their adult literacy and family literacy skills for more than 30 years.

The Lethbridge Public Library collaborates with more than 19 community organizations, serving families and adults with year-round learning opportunities in a classroom setting or through tutoring.

Approximately 60 to 75 per cent of learners achieved their personal, educational or employment goals.

Indigenous Community Adult Learning Programs

The Community Adult Learning Program seeks to build on and forge partnerships with Indigenous communities founded on principles of trust, openness and respect in order to improve First Nations, Métis and Inuit learner access and success in the learning system.

Many community adult learning organizations have a history of partnership with Indigenous communities. Advanced Education partnered with Indigenous Relations (representing the Métis Settlements General Council) to fund the provision of literacy and foundational learning in Métis settlements through the Community Adult Learning Program.

Key Strategy 3.3 Modernize the delivery of student aid and apprenticeship programs to Alberta learners.

The scholarship content and navigation on the Alberta Student Aid website was redesigned to incorporate all scholarship applications to improve ease of access and user experience. Ongoing work continues to support enhancements of the scholarships portfolio.

Training Module for Private Career Colleges

The ministry developed a new compliance training module geared towards private career colleges. This ensures that private career colleges have the right information and resources to allow them to comply with the policies and procedures of the student aid program. In addition, college staff were trained on student aid's 'request for reconsideration' online service. This helps student aid to transition to a paperless environment and streamlines the process of reviewing and processing funding appeals.

MyTradesecrets Online Class Registrations

MyTradesecrets online class registration is a new feature that allows apprentices to register, pay tuition and be added to a waitlist for technical training. Once fully implemented, this service will improve the class registration process for apprentices who register annually at technical training providers.

As of December 2015, apprentices could view classes available online through a secure MyTradesecrets account. Since then, NAIT, Medicine Hat College, SAIT, Lakeland College and Red Deer College have been able to accept applications directly through the MyTradesecrets online web portal. Nearly eight out of every ten apprentices in the province now have the ability to register for technical training online.

Between April 1, 2016 and March 31, 2017, the MyTradesecrets website averaged over 3,000 visits per day.

Apprentice and Industry Training Information Line

The Apprentice and Industry Training information line is a central telephone system for apprentices, employers and stakeholders that improves service levels, accessibility and consistency. The system pools all incoming calls for handling which allows resources to be utilized from all client services offices when required. The system also supports continuous improvement by monitoring service delivery through call recordings for quality assurance. Call scripting, callback functionality and call messaging also help improve service consistency.

Additionally, at times of special need, the information line is able to offer callers a specific topic line. In 2016-17, dedicated lines were established for the Wood Buffalo region wildfire and the Apprentice Training Award.

Electronic Outgoing Correspondence

In July 2016, Electronic Outgoing Correspondence (EOC) became available to students and Alberta Student Aid staff. EOC allows all Alberta Student Aid's letters and documents, including student loan agreements and spouse/partner consents, to be deposited into a student's secure digital inbox. This inbox gives students paperless options to handle mail related to their personal student funding. Each student receives automatic email notifications and reminders for actionable items and they can choose to opt in or out of text message notifications.

Easier Documentation: eDoc Upload

Easier Documentation (eDoc) Upload is a new streamlined digital document submission process allowing student loan borrowers to upload requested documentation to the student finance system by computer or mobile device. In 2016-17, more than 15,000 documents were received. This modernized process saves administrative time and results in both faster processing and increased client satisfaction.

Looking Ahead: The ministry's vision is to have public post-secondary institutions manage the maintenance, administration, publication and distribution of individual learning modules and provide the opportunity to explore the future state of individual learning modules, including continued digitization.

Key Strategy 3.4 Enhance the ability of learners to transition from high-school to post-secondary studies and to transition between institutions and programs within the adult learning system.

Definitions

Learner pathways and transitions into and between institutions and programs are an important component of the post-secondary system.

- Pathways are learners' routes into/among/from/back into post-secondary or adult education. Examples include admissions, transfer, dual credit, prior learning assessment and recognition, interprovincial mobility and foundational learning.
- Mobility is a learner's ability to access pathways. This includes the ability to transfer courses and earn credits towards a credential at more than one institution/organization, ladder one credential to another, receive credit for experiential or non-formal learning, or build on foundational learning and high school upgrading to enter post-secondary studies.

Learner Pathways Modernization Initiative Collaboration and Access

The Learner Pathways Modernization Initiative is led by the Alberta Council on Admissions and Transfer in partnership with Advanced Education, and in collaboration with Alberta stakeholders and provincial partners. It is focused on modernization and redesign of technology, processes, information access and tools/supports for learner pathways and mobility, with an emphasis on improving student access and institutional ability to share this information. The process was planned in four phases:

- Phase One: Business Assessment (completed in 2014-15)
- Phase Two: Transfer System Modernization
- Phase Three: Stakeholder Tools
- Phase Four: Learner Pathways Connections

In 2016-17, most of phase two was completed, focusing on the development of the foundations of the new Alberta Learner Pathways System (see Key Strategy 2.4). The new system supports greater student access to pathways and mobility information, and improves institutions' ability to manage and share this data with other institutions and with students.

The Transfer Alberta website and search tool/mobile app was redesigned and Alberta's Transfer System tools, information and applications for institutions and stakeholders were modernized. Over 37,000 active transfer agreements/decisions for courses and programs were available through Transfer Alberta in the 2016-17 academic year.

Since the soft launch of the new Transfer Alberta student website in January 2017, engagement with the system has increased significantly. By March 2017, the new and improved website was generating approximately 9,300 visitors per month, compared to the previous Transfer Alberta website, search tool and mobile app with approximately 4,000 users in March 2016.

Student Mobility

As of June 2016, four years of the 'Alberta Council on Admissions and Transfer Student Mobility Reports' are available on the council's website, by institution, sector, or year. These reports use the most recent institution-approved data (currently the 2013-14 student cohort) to identify student enrolment flow and enrolment tracking data for publicly funded post-secondary institutions and sectors in Alberta.

From 2004 to 2013, an average of 16,900 students (10-13 per cent of students continuing in the system) demonstrated mobility by continuing their studies at a new institution.

Provincial Dual Credit Strategy

Dual credit is available for eligible students in Grades 10, 11 or 12 who want to earn both high school credits and credits that count towards a post-secondary certificate, diploma, or degree. The strategy, led by the Ministry of Education, helps support approximately 51 funded partnerships.

The Ministry of Education is developing a new Provincial Dual Credit Framework and funding model. Many partnerships continue to provide dual credit opportunities for students while awaiting the new framework.

Key Strategy 3.5 *Support pan-Canadian initiatives to facilitate mobility of Alberta's apprentices and improve alignment of apprenticeship training programs.*

The Interprovincial Standards Red Seal Program is the Canadian standard of excellence for skilled trades, and was established for certain trades that are common to most jurisdictions in Canada. The ministry is consulting with Provincial Apprenticeship Committees to promote greater consistency for 30 Red Seal trades by 2020 based on strategic direction from the Canadian Council of Directors and Apprentices. The objectives of this initiative are to enhance the mobility of apprentices, increase apprenticeship completion rates and improve alignment of apprenticeship training programs. The Canadian Council of Directors and Apprentices identified four harmonization priorities: use of the Red Seal trade name, a consistent number of training levels/periods, consistent total trade hours and more substantively aligned technical training in apprenticeship programs.

Alignment of the 30 trades will be carried out in five phases, starting with those that have a high volume of registered apprentices. This will cover approximately 90 per cent of Canadian apprentices. For each Red Seal trade, industry is engaged at the national and provincial/territorial levels to consult on recommendations for harmonization. Presently, recommendations are complete for phases one[1] and two[2]. Phase one was implemented in most jurisdictions, including Alberta, for the September 2016 training year.

Looking Ahead: Changes for phase two will be implemented in most jurisdictions for the September 2017 training year.

1) Phase One Carpenter, Welder, Metal Fabricator (Fitter), Ironworker (Generalist), Ironworker (Structural/ Ornamental), Ironworker (Reinforcing), Mobile Crane Operator and Tower Crane Operator

2) Phase Two Heavy Duty Equipment Technician, Automotive Service Technician, Truck and Transport Mechanic, Agricultural Equipment Mechanic, Construction Electrician, Industrial Electrician, Industrial Mechanic (Millwright), Plumber and Steamfitter/ Pipefitter

Key Strategy 3.6 Ensure processes are in place to allow unemployed apprentices to continue their training and work with post-secondary institutions to ensure there are sufficient technical training seats available to meet expected demand.

Alberta's apprenticeship and industry training system is designed to develop and certify highly knowledgeable journeypersons with skills aligned with labour market and industry needs.

Did you know?

There are more than 50 designated trades and occupations in Alberta with apprenticeship technical training offered at 11 public post-secondary institutions and two private institutions. Technical training is also offered at some organizations outside of the post-secondary system, including some high schools through the Registered Apprenticeship Program, Career and Technology Studies, preparatory programs offered by post-secondary institutions, community organizations, as well as employers and union-based facilities.

Approximately 80 per cent of an apprentice's education is completed on the job and is provided through an employer under the guidance of a certified journeyperson or qualified individual. The other 20 per cent of their education is completed through formal instruction provided at or through a public post-secondary institution.

Technical Training Enrolment

Advanced Education continuously monitors the demand for technical training seats in all trades and makes adjustments in the number of seats and location of training as needed. The ministry works with the Alberta Apprenticeship and Industry Training Board to encourage industry partners to be proactive in hiring and training apprentices and to implement strategies to support and encourage apprentices to progress and complete their programs. Over 35,000 technical training seats were offered in 2016-17.

Apprenticeship Funding

To support technical training delivery, the ministry contributed approximately $54.5 million to Alberta's technical training providers through the Apprenticeship Training Grant in 2016-17. This funding directly supports apprenticeship training and is in addition to the seats already provided to publicly funded institutions through the Campus Alberta Grant.

Financial Support for Apprentices

The First Period Apprentice Award is a $750 award that encourages registered apprentices to complete their first period of technical training. There were over 7,500 recipients of this award in 2016-17.

In 2016, more than 800 scholarships were provided to Alberta apprentices, including high school students participating in the Registered Apprenticeship Program through the Alberta Apprenticeship and Industry Training Board family of scholarships.

Apprentice Training Award

To support unemployed apprentices, the ministry announced the Apprentice Training Award on October 20, 2016. The award is a $1,000 financial incentive for registered apprentices unemployed in a trade and attending second, third or fourth period technical training at an Alberta-approved technical training provider on or after August 1, 2016. This award helps unemployed apprentices continue their technical training and progress towards their journeyperson certification.

Registered Alberta apprentices meeting award criteria in 2016-17 were identified and contacted by the ministry. As of March 31, 2017, over 2,600 apprentices received the award.

Total and New Apprentices Registered

On December 31, 2016, there were over 58,300 registered apprentices. Apprentices may be registered in more than one trade or branch of a trade within the same year. In 2016, over 13,000 new apprentices were registered.

While there was a 24 per cent decline in new apprenticeship registrations between 2015 and 2016, it was less than the 28 per cent decline in new apprenticeship registrations in the previous year. The ministry continues to encourage Albertans to consider a career in the trades and to support current apprentices to continue their training and complete their program.

Alberta's Network of Industry Committees

Alberta's apprenticeship and industry training system relies on an extensive network of more than 700 individual industry representatives who collectively participate in approximately 160 committees, from local industry committees through to the Alberta Apprenticeship and Industry Training Board. Committees are composed of equal numbers of employers and employees. Committee roles include: recommending the standards for the skills and competencies required for certification, establishing technical training course outlines, recognizing related training and certification and making recommendations about the designation of trades and occupations.

Surveyed in 2016, 88 per cent of committee members agreed or strongly agreed that committee work contributed to positive change in their trade/occupation.

Key Strategy 3.7 Work with post-secondary institutions and other ministries to enhance access to critical mental health supports.

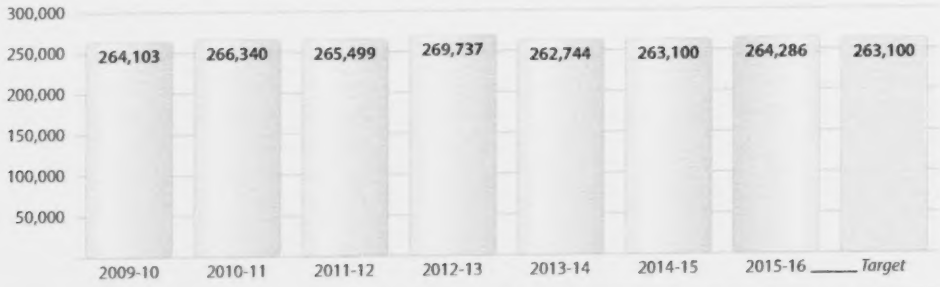
Advanced Education invested $3.6 million in student mental health supports at Alberta campuses. Funding supported the hiring of health practitioners, including counsellors, community outreach social workers and psychologists, as well as mental health workshops, stress reduction events and peer support programs.

Investments in student mental health supports will build on the government's commitment to create healthy and supportive campus environments and align with the recommendations of the Valuing Mental Health Report of the Alberta Mental Health Review Committee 2015. Funding allocated in Alberta's 2016 Budget extends all post-secondary grants for mental health initiatives through 2017.

In close collaboration with the Ministry of Health, Advanced Education created an advisory panel on post-secondary mental health in October 2016, with a mandate to recommend a long-term approach to supporting mental health that will benefit students across the province. The panel included post-secondary students, faculty and staff, as well as representatives from Alberta Health Services and the Canadian Mental Health Association. This important work builds on best practices at Alberta's post-secondary institutions, especially those innovative mental health programs and initiatives that emerged in the past few years on university campuses and through the work of the Alberta Students' Executive Council.

In March 2017, the advisory panel submitted 12 recommendations to the Deputy Minister of Advanced Education. These recommendations informed an updated approach to mental health programs on campuses. A revised long-term approach to post-secondary mental health is anticipated for the start of the 2017-18 academic year.

Performance Measure 3.a *Total Enrolment at Publicly Funded Post-Secondary Institutions – Unique Individuals, Full-Time and Part-Time*



Source Advanced Education, Learner and Enrolment Reporting System (LERS)

Rationale

The total enrolment at post-secondary institutions indicates the extent to which Albertans have been able to access adult learning opportunities.

Results and Target Analysis

This measure is drawn from the headcount data in the ministry's Learner and Enrolment Reporting System.

This year's actual enrolment exceeded the target. In the 2015-16 academic year, 46% of students were enrolled in degree programming (applied, bachelors, masters, doctoral and university transfer) and 57% of students were enrolled in other programming (diplomas, certificates and non-credentialed programs). These figures do not sum to 100% because students can be enrolled in more than one program type within a given year. The program bands that represented the largest shares of enrolment were languages, social sciences, arts and humanities (31%), trades and technologists (17%), health sciences (15%), physical, natural and applied sciences (14%), and business (13%). The 18-34 age group consisted of approximately 82% of all learners (see Measure 3.c). Approximately 53% of learners were female and 47% were male, although most program bands showed a more pronounced difference. For example, male learners comprised 88% of enrolment in the trades and technologists program band and 60% of enrolment in the physical, natural and applied sciences band, while females comprised 82% of enrolment in the health sciences band and 77% of enrolment in the education band.

Variance and Trend Analysis

This year's growth in enrolment was 0.5%. This change was driven by increased enrolment in the polytechnic and the comprehensive community sectors (approximately 1,800 additional students), which more than offset the decreases in the baccalaureate and applied studies and the comprehensive academic and research sectors (approximately 1,000 fewer students). Between 2014-15 and 2015-16, enrolment in applied degrees fell substantially (-13%). The drop in applied degrees is likely the result of baccalaureate and applied studies institutions and polytechnic institutions shifting their focus away from applied degree programming and towards bachelor's degree programming (which saw comparable increases at many institutions that offered applied degrees).

Between 2014-15 and 2015-16, enrolment grew fastest in the following program bands: education (6%), legal and security (4%), preparatory and basic upgrading (4%) and health sciences (3%). In this period, each of these programs grew faster than any other point in the previous five years. Enrolment dropped by 1% in the following program bands: business, languages, social sciences, arts and humanities, and trades and technologists. Of these, only trades and technologists was below its five-year average growth rate.

Note

This data refers to the total number of unique students in the post-secondary system for each academic year. The 2016-17 target (set in the 2016-19 Ministry Business Plan) refers to the targeted enrolment in the 2015-16 academic year, which is the most recent year for which data is available. All values mentioned in the results and analysis sections exclude The Banff Centre, which does not report through LERS. Enrolment at The Banff Centre was 4,542 students in 2015-16.

Corrections in reporting procedures at Lakeland College and Portage College decreased reported enrolment by approximately 6,100 between 2012-13 and 2013-14. Enrolment headcounts from previous years are subject to small changes due to reporting. Some totals may not sum to 100% due to rounding.

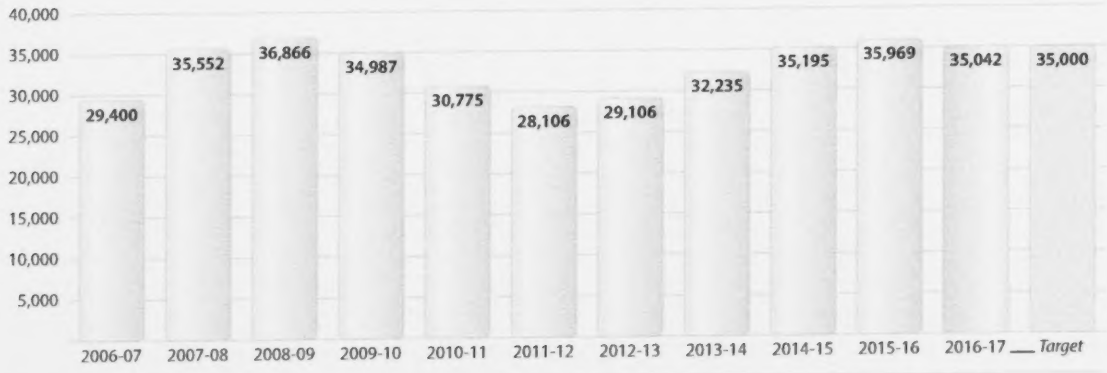
References

For breakdowns by program/sector/credential, see Appendix – Table 1.

For program band breakdowns by gender, see Appendix – Table 2.

For a list of institutions in each sector, see Appendix – Table 3.

Performance Measure 3.b *Apprenticeship Technical Training Seats Offered*



Source Advanced Education, Apprenticeship and Industry Training

Rationale

This measure indicates access to the technical training that apprentices require in order to progress and complete their trade programs. Apprentices are required to learn both theory and skills in the trade to become certified journeypersons. Trade theory is provided through apprenticeship technical training, offered primarily at 11 publicly funded post-secondary institutions.

Results and Target Analysis

The number of seats offered for apprentices is negotiated by the ministry with training providers at the start of the academic year and is adjusted during the year. The academic year runs from August 1 to July 31. As of May 1, 2017, the last actual figure on seats offered is 35,042, close to the 2016-17 target of 35,000. Formal instruction or technical training is most often delivered through block release, where the apprentice spends a block of time, generally eight weeks per year, in classroom instruction. Formal instruction may also be offered in other formats in some trades. These formats include competency-based apprenticeship training, distance delivery, weekly apprenticeship training system, mobile delivery and blended learning.

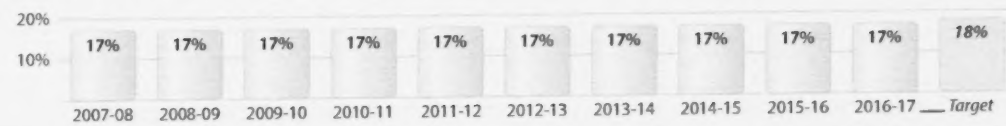
Variance and Trend Analysis

If there is a slowdown in the economy, this does not immediately result in reduced seats offered as some apprentices might take this time to enroll in technical training. As well, the implementation of the First Period Apprentice Award and the Apprentice Training Award should help to offset costs and encourage apprentices to enroll in technical training.

Note

Figures do not include bridging programs. Figures also do not include Delmar College, Marvel College, Eveline Charles Academy or other private training providers.

Performance Measure 3.c *Percentage of Albertans Ages 18-34 Participating in Post-Secondary Education*



Source Statistics Canada, Labour Force Survey
Endnote C, D

Rationale

Tracking post-secondary participation enables the ministry to use the behaviour of Albertans to evaluate its success in enabling individuals to pursue their goals and ensuring that education remains accessible to all Albertans. The percentage of young Albertans who choose to participate in post-secondary education reflects several important factors, including:

- the affordability of post-secondary education,
- the magnitude of non-financial barriers to pursuing post-secondary education,
- the attractiveness of Alberta's educational opportunities, and
- the effects of economic fluctuations on education incentives.

Results and Target Analysis

This measure is drawn from Statistics Canada's Labour Force Survey. It is calculated by dividing the number of Albertans ages 18-34 who reported participation in a university, college or other post-secondary institution by the total number of Albertans in that age range.

The actual participation rate is one percentage point below the target. However, some important changes are masked since the results have been rounded to the nearest whole number to be consistent with the rounded results in the 2016 Government of Alberta Strategic Plan and 2016-19 Ministry Business Plan. In comparison to 2015-16, the participation rate increased by 0.6 percentage points from 16.6% to 17.2%. The total number of learners ages 18-34 grew by 3.8% despite the fact that population grew by only 0.2% among the 18-34 age group.

Variance and Trend Analysis

Given the economic contractions over the past two years, the participation rate can be expected to increase as post-secondary programs become a more attractive alternative to labour market participation. These contractions have also reduced the inflow of migrants, which reduces population growth. The expectation of increasing participation rates is consistent with the observed changes in the student and general population, but the magnitude of this increase was insufficient to meet the target.

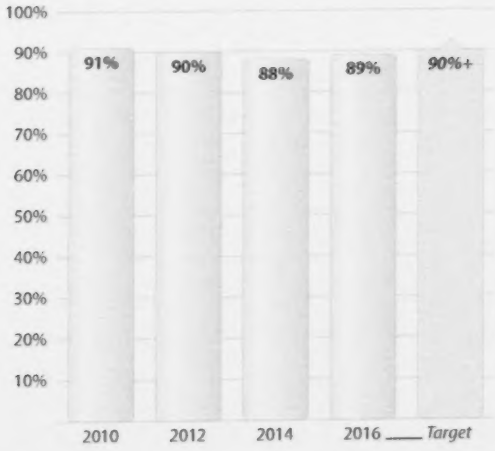
Note

The 18-34 age group represents a majority of learners enrolled in post-secondary programs. The dataset includes international students residing in Alberta during their studies and some Albertans whose primary residence is inside the province but were studying outside the province. Because of methodological differences, the estimated change in participants mentioned in the results and target analysis section will not correspond to the enrolment headcount changes described in measure 3.a.

References

For more details about the methodology, see Statistics Canada's Guide to the Labour Force Survey (2016) and Endnote D on page 115.

Performance Measure 3.d *Percentage of Post-Secondary Transfer Graduates Satisfied with the Transfer Credit they Received*



Source Advanced Education, 2016 Graduate Outcomes Survey (Class of 2013-14) – Publicly Funded Institutions Report
Endnote A, C

Rationale

This measure reflects the extent to which learners can access their desired institutions and programs even in the presence of previous educational, financial, geographical or personal constraints. It also represents the ease with which learners can adapt their learning plan to shifting opportunities and circumstances so that they can realize their goals.

Results and Target Analysis

This measure is drawn from the results of the Graduate Outcomes Survey. It is calculated by dividing the number of respondents who were *satisfied* or *very satisfied* with the transfer credit they received for courses taken at other institutions by the total number of individuals who received transfer credit.

The desired target of 90% satisfaction for the 2016 survey year was not met. However, satisfaction with transfer credit increased by one percentage point (from 88% to 89%) compared to the 2014 survey year. This is the first time that the measure improved since the question was introduced in the 2010 survey year. Furthermore, the number of respondents who were very satisfied with their transfer credit increased by four percentage points to 47% and the portion of graduates with previous coursework at another institution who received any transfer credit at all also increased by seven percentage points to 46%. Together, these figures indicate that a higher proportion of graduates received transfer credit, and of those graduates, more were satisfied with their transfer credit than the previous survey year.

Variance and Trend Analysis

Enhanced co-operation and standardization between Alberta's post-secondary institutions may increase the likelihood that learners will be satisfied by the transfer credit granted to them. This measure may also be influenced by the increased ease with which information about the transfer credit process can be accessed.

Note

The target for the 2016-17 Ministry Annual Report was set in the 2016-19 Ministry Business Plan and corresponds to the results of the 2016 Graduate Outcomes Survey (Class of 2013-14) – Publicly Funded Institutions Report. Only learners who completed programs from one of Alberta's publicly funded post-secondary institutions were included in this survey. No response/don't know responses were excluded from the analysis in this measure. Results of some questions may not sum to 100% due to rounding.

References

For a breakdown of results by credential type, field of study and sector, see Section 6.1 of the 2016 Graduate Outcomes Survey (Class of 2013-14) – Publicly Funded Institutions Report.

For a list of institutions in each sector, see Appendix – Table 3.

For more details on the Graduate Outcomes Survey and sampling considerations, see Endnotes A and C on pages 114-115.

Other Initiatives

Labour Relations

Right to Strike

In January 2015, the Supreme Court of Canada released its decision (Federation of Labour v. Saskatchewan) in Saskatchewan and found that the right to strike is fundamental to the collective bargaining process and is constitutionally protected under section 2(d) (Freedom of Association) of the Canadian Charter of Rights and Freedoms. The Supreme Court of Canada also found that employees have the right to withdraw labour when collective bargaining negotiations break down, and this is critical to a meaningful process of collective bargaining. The Supreme Court of Canada elaborated that the right to strike may be restricted to ensure essential services are provided and that many employees in the public sector provide essential services. Therefore, it was necessary to ensure balance between maintaining employee rights and essential services legislation.

Consultations

On August 18, 2016, the Minister of Advanced Education announced a consultation to align the post-secondary labour relations model with the recent decision of the Supreme Court of Canada.

The intended outcomes of the consultation were to:

- ensure the protection of the public interest by mitigating potential impacts of strikes and lockouts;
- develop a well-functioning labour relations model that contributes to the provision of quality, accessible and affordable post-secondary education;
- ensure all stakeholder perspectives are considered during the development of this new model; and
- ensure a smooth transition to and implementation of a new labour relations model.

In order to obtain feedback from stakeholders, the ministry took a two-phased approach to consultations. The ministry also provided stakeholders with the opportunity to share feedback through a publicly accessible website.

In the first phase of the consultation, the ministry held four discussion sessions, two in Edmonton on September 29, 2016 and two in Calgary on October 4, 2016. Stakeholders had the option of attending in person or through teleconference. Participation in the consultations was open to all stakeholders and other interested parties. Consultation provided stakeholders the opportunity to bring forward their questions, comments or concerns to Advanced Education. Administrators, academic staff, graduate and undergraduate students and post-doctoral fellows attended the sessions and engaged with department staff, providing feedback and suggestions on a new labour model for public post-secondary institutions. Collectively, over 125 individuals took part in the discussions.

In addition to the stakeholder sessions, formal feedback through online submissions was received through the website and written submissions were received through the *Post-secondary Learning Act* consultation email. Online submissions were primarily from individual academic staff members, students and administrators, whereas written submissions were primarily from post-secondary institutions, academic staff associations and graduate student associations.

In phase two, the ministry held three roundtable sessions with core stakeholders. The sessions were focused on three spheres: graduate students, universities, and colleges and technical institutes. Representatives from faculty associations, graduate student associations, and institutions were invited to attend. Mr. Andrew C.L. Sims, an experienced labour arbitrator and mediator, facilitated the sessions and provided a report to Advanced Education containing advice and recommendations for a new labour relations model.

Learning Clicks

Did you know?

Learning Clicks is a peer-to-peer motivational program that helps Grades 5-12 students, parents and teachers learn about post-secondary education – what it is, why it is important and how to plan for it.

Learning Clicks ambassadors, who currently attend post-secondary education, deliver motivational education planning presentations across the province to encourage youth to reach their potential through a post-secondary education. Presentations cover topics such as students' personal experiences, student aid funding, career planning and student life.

The Learning Clicks program presented in more than 1,000 classrooms across the province and engaged with approximately 22,000 youth on education planning information and resources.

Learning Clicks also engages with Indigenous communities in Alberta to encourage Indigenous students to pursue post-secondary education. The program offers presentations on post-secondary options delivered by Indigenous ambassadors to Indigenous youth across the province. Last year, Indigenous ambassadors provided more than 60 presentations within Indigenous communities, an increase of almost 50 per cent from the previous year.

Student Impact

"The presentation gave me a new look on post-secondary school – I was able to understand that it's not as scary as it seems and I'm actually excited to attend university."

Grade 12 Student, First Nations School

Youth complete an online survey at the end of each presentation. The results stated that:

- 98% of students agreed that the presentations increased their knowledge and understanding of their post-secondary options
- 96% felt motivated to attend post-secondary education after the presentation
- 90% felt they would return to the Learning Clicks website to continue their post-secondary planning after the presentation
- 99% appreciated that the presentation was provided by a current post-secondary student – which reinforces the effectiveness of the peer-to-peer model

Results of the 2015-16 Education Stakeholder Satisfaction Survey conducted by the Ministry of Education indicated that 77 per cent of Indigenous students and 73 per cent of non-Indigenous students surveyed agreed that Learning Clicks positively influenced their decision to pursue post-secondary education.

Student Impact

A Learning Clicks ambassador was stopped in the hall by a student, who thanked her for a high school presentation.

The student said that before the ambassadors came to class and shared personal experiences, she did not feel personally capable of pursuing post-secondary education. Hearing someone else had faced the same struggles and overcame them provided the MacEwan University student with the confidence to apply to post-secondary education.

Hearing from a peer made all the difference.

First year student, MacEwan University

Learning Clicks Ambassadors

The Learning Clicks program also impacts the post-secondary students it employs. Over the past year, the majority of the ambassadors expressed appreciation for how the program has contributed to their academic and professional development.

Private Career Colleges

Career training at private career colleges provides students with specialized skills and knowledge to prepare them for employment in a specific field. At the end of 2016-17, there were 167 private career colleges in Alberta offering 868 licensed career training programs. These programs prepare students for employment in fields ranging from health and business to heavy equipment operation and dog grooming.

The training programs offered by these colleges add to the range of available post-secondary options for Alberta students, with shorter-term, career-focused training.

Demographic Profile of Private Career Colleges

- *Over 19,000 students attended a private career college in 2015-16.*
- *Eighty per cent of graduates were female.*
- *Seven per cent of respondents self-identified as Indigenous.*

Source: Advanced Education and 2016 Graduate Outcomes Survey (Class of 2013-14) – Publicly Funded Institutions Report

Graduation and Job Placement Rates of Licensed Career Training Programs in Alberta

Source Advanced Education

Note Graduation and job placement figures for 2016-17 were not available in time for inclusion in the annual report.

As seen above, the graduation rate of licensed career training programs was 81 per cent in 2015-16 and the job placement rate was 77 per cent—well above the 70 per cent baseline set out in ministry policy. Additionally, a 2016 survey of graduates from 71 private career colleges found that 79 per cent were satisfied with the overall teaching quality in their program, 76 per cent were satisfied with the overall quality of their program and 75 per cent were satisfied with their overall post-secondary experience (2016 Graduate Outcomes Survey (Class of 2013-14) – Publicly Funded Institutions Report).

To provide consumer protection to students enrolled at private career colleges, the ministry, in accordance with the *Private Vocational Training Act* and its associated regulations, must license career programs offered by private institutions. As part of their licensing requirements, private career colleges must submit annual reports to the ministry that include information on the graduation and job placement rates of their students. If programs offered by private career colleges fail to maintain graduation and job placement rates above 70 per cent for four consecutive reporting periods, they face a variety of consequences, including the potential cancellation of their license.

Wood Buffalo Wildfire

In May 2016, Albertans and Canadians were shocked by the devastating wildfire in Fort McMurray and the Regional Municipality of Wood Buffalo. Advanced Education staff were among the hundreds of people from the public service who directly contributed to the overall response and recovery efforts.

Accommodations for Evacuees

Post-secondary institutions played an important role in the fire response by providing accommodation for evacuees. Approximately 3,800 evacuees were housed at 14 post-secondary institutions province-wide. As well, the post-secondary sector was involved in providing many evacuee supports, including space for debit card distribution centers and Red Cross relocation assessment centers. Apprentices from Keyano College were accommodated by other institutions in the province to enable them to continue their studies during the evacuation. The ministry provided office space for the Keyano College administration displaced by the wildfires so they could coordinate their recovery.

Customer Relationship Management Team

In addition to providing IT support to department functions, the Customer Relationship Management team (eCRM) was able to assist the government in automating processes to ensure quicker responses during the wildfire emergency. Below are two examples of how the eCRM team made a positive difference in the government's response:

Email Management

An email communications center was set up by Community and Social Services (formerly Human Services) to manage issues and questions asked by Fort McMurray wildfire evacuees. At launch, the email center received hundreds of emails per day with management of the inquiries handled individually. The eCRM team became involved a week later and fully automated the email responses and tracking within a five-day window.

310 Call Center

Government established a dedicated call centre to provide wildfire evacuees with timely information. At launch, the call center was 100 per cent paper-based and handling over 6,000 calls per day. The eCRM team was involved with the center a few days after launch and in a little more than a week they were able to fully automate the process.

Impact

"The introduction of the CRM tool into the emergency response contact center was a true game changer. It evolved the center from a manual labour-intensive set of processes to a paperless, automated system in a matter of a week.

The ability to innovate the business requirements into solutions so quickly and effectively was amazing. I truly appreciated the incredible efforts of the entire eCRM team and look forward to further exploring its capabilities as they may apply to the core programs of my centers."

Michael McCullough, Director Contact Centers, Service Alberta

Temporary Plumber Training Program

The Government of Alberta established a temporary second period apprentice plumber technical training program in the Regional Municipality of Wood Buffalo to support the rebuilding of the community after more than 2,400 buildings were destroyed in the wildfire. The program provides Advanced Education with an opportunity to explore a cooperative model of apprenticeship technical training delivery that could enhance alternative delivery methods moving forward.

Update on Challenges

Advanced Education faced a number of challenges in making affordable and high quality educational learning opportunities accessible to all Albertans.

Challenge in 2016-19 Business Plan	2016-17 Annual Report Update
Economic Climate The current downturn in Alberta's economy will likely result in heightened enrolment pressure at adult learning institutions and increased demand for student aid. It may also affect the ability of apprentices to find employment and complete their on-the-job training.	The ministry initiated a funding review to develop a funding model that provides stable, predictable funding to post-secondary institutions and aligns with the principles of the adult learning system to enhance accessibility, affordability, quality, accountability and coordination. The funding model is being coordinated with the tuition review to ensure appropriate alignment. To support unemployed apprentices, Advanced Education provided the Apprentice Training Award to allow unemployed apprentices to continue training and progress towards their journeyperson certification. The adult learning system prepares apprentices and adult learners with the skills, experience, and knowledge to contribute to furthering social, economic and environmental benefits for Albertans.
Accelerating Change Complex and accelerating changes in learner expectations, employer needs and learning technology pose deep questions about traditional assumptions around adult learning. Preparing diverse learners for success in an evolving social and economic landscape is a significant challenge for government and learning providers.	Advanced Education works with partner ministries including Economic Development and Trade, Labour, Education and Health, as well as employers, industry, regulatory bodies and other jurisdictions to meet labour market demand. The ministry continues to strengthen collaboration through strategic partnerships to leverage investment and achieve desired outcomes. Through the Campus Alberta Grants, the ministry enables Alberta's post-secondary institutions to prepare for future workforce needs and drive research and innovation. The grants supports post-secondary institutions as drivers of research and innovation – critical elements to Alberta's success in the global, 21st century economy. The ministry also helps post-secondary institutions develop start-up infrastructure and serve as community hubs for strengthening local, provincial and global connections.
Foundational Skills A significant number of Albertans lack the foundational skills needed to fully participate in community life, find meaningful employment and pursue further learning. Meeting the needs of these learners is an ongoing challenge and is heightened during times of economic uncertainty.	During economic downturns, workers with limited education are often the first to lose their jobs and have the most difficulty re-entering the workforce. To improve service delivery on employment, learning and training, programs and services were realigned among the ministries of Advanced Education, Labour and Community and Social Services (formerly Human Services). The ministry continues to focus on providing full- and part-time foundational learning opportunities to enhance access and strengthen pathways for learners. Advanced Education works in collaboration with partner ministries on the government's overall approach to improving the quality of life of Albertans by educating, training and equipping the workforce from early childhood to adulthood.

Challenge in 2016-19 Business Plan	2016-17 Annual Report Update
Indigenous Education Post-secondary participation and completion rates are significantly lower for Indigenous Albertans than for non-Indigenous Albertans. In support of the *United Nations Declarations on the Rights of Indigenous Peoples* and the recommendations of the Truth and Reconciliation Commission of Canada, the ministry is committed to collaborating with its Indigenous partners and other adult learning providers to improve learning outcomes for Indigenous Albertans.	Advanced Education continues to provide First Nations Colleges with annual, stable funding. These funds support the delivery of programs from adult basic education to accredited programs, as well as activities and initiatives that support student access, retention and learner outcomes. The ministry initiated an Indigenous Adult Learner Policy engagement to clarify the relationship between the ministry and Indigenous adult learning providers, identify programming gaps, and improve existing programs and wrap around services.
Governance Excellence The ministry relies on arms-length institutions and community organizations to provide accessible and affordable adult learning opportunities of the highest quality. Ensuring these arms-length organizations continue to be governed efficiently and effectively is a key priority.	Advanced Education continues to rely on arms-length institutions and community organizations to provide accessible and affordable adult learning opportunities of the highest quality to Albertans. While these agencies hold a significant amount of independence and autonomy, government needs assurance that agencies using resources are managed appropriately, making decisions impartially, addressing significant risks, and are working in a coordinated manner to meet long-term system needs. Balancing government oversight with institutional autonomy is a challenge. Through the review of agencies, boards and commissions, enhanced board recruitment processes, strategic workshops on the role of government, and a closer look at the Roles and Mandates Policy Framework, the ministry continues working to determine an appropriate balance and clearly articulating government oversight with system partners.

Financial Highlights

The consolidated Ministry Financial Statements include:

- the Department of Advanced Education;
- the Access to the Future Fund; and
- Alberta public post-secondary institutions.

Revenue

(in thousands)	2017 Actual	2016 Actual (Restated)
Government Transfers		
Government of Alberta Grants	$ 366,214	$ 368,775
Federal and Other Government Grants	501,815	448,008
Investment Income	232,868	202,532
Loss from Government Business Enterprises	(1,777)	(3,675)
Premiums, Fees and Licences	4,751	7,837
Tuition and Non-Credit Courses	1,168,827	1,157,663
Sales, Rentals and Services	612,217	584,660
Donations, Grants and Contributions	317,267	319,123
Other	152,280	88,863
	$ 3,354,462	$ 3,173,786

Revenue increased by $181 million from the prior year primarily due to an increase in other revenue in post-secondary endowment contributions and reinvested income of $57 million. In addition, there was an increase of $54 million in federal and other government grants, primarily due to additional funding of $37 million to support research projects at post-secondary institutions. Investment income also increased by $30 million as a result of higher returns on investments. Furthermore, there was an increase of $28 million in sales, rentals and services revenue primarily attributed to increased sales activity at some post-secondary institutions. There was also an $11 million increase in tuition mainly due to an increase in enrolment ($25 million); partially offset by a decrease in non-credit courses ($14 million).

Expenses

(in thousands)	2017 Actual	2016 Actual (Restated)
Salaries, Wages and Employee Benefits	$ 3,485,391	$ 3,389,415
Supplies and Services	1,326,403	1,327,819
Grants	505,573	504,014
Amortization of Tangible Capital Assets	506,667	486,065
Interest on Long-Term Debt	39,436	37,962
Provision - Student Aid	62,726	41,258
Other	11,454	28,032
	5,937,650	5,814,565
Less: Recoveries from Support Service Arrangements with Related Parties	(1,305)	(1,819)
	$ 5,936,345	$ 5,812,746

Expenses increased by $124 million from the prior year primarily due to a $96 million increase in post-secondary institution salaries, wages and employee benefits, expenses related to collective agreement salary increases and a slight increase in staffing. A $21 million increase in the amortization of capital assets is primarily related to an increase in building acquisitions. A $22 million increase in student aid provision is attributed to an increase in principal forgiven, and an increase in loans disbursed. Increases are offset by a decrease of $10 million in pension recovery and $7 million in other expenses.

Funding Provided to Post-Secondary Institutions

for the year ended March 31, 2017

(in thousands)

		Operating Grants (1)		Grants for Infrastructure	
		2017	2016	2017	2016
Post-Secondary Institutions					
Comprehensive Academic and Research Institutions	Athabasca University	$ 42,761	$ 40,555	$ 1,793	$ 1,793
	University of Alberta	663,695	634,311	66,099	17,040
	University of Calgary	493,371	467,930	77,554	39,211
	University of Lethbridge	106,057	101,667	127,876	2,526
Baccalaureate and Applied Studies Institutions	MacEwan University	111,154	107,430	2,520	2,500
	Mount Royal University	98,004	94,013	53,116	27,376
Polytechnical Institutions	Northern Alberta Institute of Technology	190,280	188,931	41,363	47,116
	Southern Alberta Institute of Technology	167,328	165,401	12,238	4,373
Comprehensive Community Institutions	Bow Valley College	45,018	42,965	345	1,025
	Grande Prairie Regional College	47,828	47,272	5,721	1,721
	Keyano College	38,258	38,635	12,897	1,094
	Lakeland College	36,180	36,069	3,687	1,030
	Lethbridge College	47,362	45,749	18,478	21,176
	Medicine Hat College	32,792	32,830	922	824
	NorQuest College	49,307	46,934	61,989	35,546
	Northern Lakes College	33,268	31,576	3,457	605
	Olds College	30,600	30,039	1,300	4,209
	Portage College	23,671	23,136	1,617	485
	Red Deer College	53,768	52,826	23,142	1,246
Specialized Arts and Culture Institutions	Alberta College of Art + Design	15,092	14,244	354	372
	The Banff Centre	20,654	20,318	3,199	1,031
Total Public Post-Secondary Institutions		2,346,448	2,262,831	519,666	212,299
Independent Academic Institutions	Ambrose University	2,769	2,717	—	—
	Burman University	3,156	3,101	—	—
	Concordia University of Edmonton	12,489	12,245	—	—
	St. Mary's University	3,596	3,544	—	—
	The King's University	4,663	4,564	—	—
Other Colleges	Maskwachees Cultural College	796	708	—	—
	Mikai Sto Foundation	790	744	—	—
	Old Sun Community College	796	640	—	—
	Red Crow Community College	6	—	—	—
	University Nuhelot'įne Thaiyots'į (Blue Quills First Nations College)	966	783	—	—
	Yellowhead Tribal College	796	722	—	—
Total Funding Provided to Post-Secondary Institutions		$ 2,377,271	$ 2,292,599	$ 519,666	$ 212,299

(1) Includes funding to these entities from all department programs.

advancededucation.alberta.ca/ministry/reports/annualreports/

Ministry of Advanced Education
Consolidated Financial Statements

March 31, 2017 *Audited Information*

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AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Members of the Legislative Assembly

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Ministry of Advanced Education, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Ministry of Advanced Education as at March 31, 2017, and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher FCPA, FCA]
Auditor General

June 1, 2017
Edmonton, Alberta

Consolidated Statement of Operations

for the year ended March 31, 2017

(in thousands)

	2017		2016
	Budget	Actual	Actual (Restated Note 4)
Revenues (Note 2(b) and Schedule 1)			
Government Transfers			
Government of Alberta Grants	$ 581,364	$ 366,214	$ 368,775
Federal and Other Government Grants	475,252	501,815	448,008
Investment Income	189,750	232,868	202,532
Loss from Government Business Enterprises (Schedule 5)	—	(1,777)	(3,675)
Premiums, Fees and Licences	5,655	4,751	7,837
Tuition and Non-Credit Courses	1,157,188	1,168,827	1,157,663
Sales, Rentals and Services	622,238	612,217	584,660
Donations, Grants and Contributions	322,400	317,267	319,123
Other Revenue	2,200	152,280	88,863
	3,356,047	3,354,462	3,173,786
Expenses – Directly Incurred (Note 2(b) and Schedules 2 and 3)			
Public Post-Secondary Institutions	5,520,143	5,480,194	5,380,288
Department			
Ministry Support Services	28,239	27,850	33,193
Support for Adult Learning	80,443	78,666	75,024
Apprenticeship Delivery	43,067	40,694	42,639
Student Aid	239,793	230,165	195,985
Foundational Learning Supports	76,188	78,776	72,084
Alberta Centennial Education Savings Plan	—	—	13,533
	5,987,873	5,936,345	5,812,746
Annual Deficit	$(2,631,826)	$(2,581,883)	$(2,638,960)

The accompanying notes and schedules are part of these consolidated financial statements.

Consolidated Statement of Financial Position

as at March 31, 2017

(in thousands)

	2017	2016 (Restated Note 4)
Financial Assets		
Cash and Cash Equivalents (Note 5)	$ 705,267	$ 574,697
Accounts Receivable (Note 6)	315,278	279,300
Portfolio Investments (Schedule 4)		
Non-Endowment (Schedule 4)	2,719,848	2,622,766
Restricted for Endowments (Schedule 4)	2,165,779	1,979,824
Equity in Government Business Enterprises (Schedule 5)	11,498	14,352
Loans and Advances (Note 7)	2,155,514	1,723,349
Inventories for Resale	27,631	35,814
	8,100,815	7,230,102
Liabilities		
Accounts Payable and Accrued Liabilities (Note 8)	771,213	783,029
Debt (Note 9)	1,098,703	987,087
Deferred Revenue (Note 10)	1,037,306	1,016,240
Unspent Deferred Capital Contributions (Note 10)	80,044	39,120
Pension Liabilities (Note 11)	288,364	298,501
	3,275,630	3,123,977
Net Financial Assets	4,825,185	4,106,125
Non-Financial Assets		
Tangible Capital Assets (Note 12)	8,240,645	8,035,604
Inventories of Supplies	2,924	2,739
Prepaid Expenses	54,241	53,959
	8,297,810	8,092,302
Net Assets Before Spent Deferred Capital Contributions	13,122,995	12,198,427
Spent Deferred Capital Contributions (Note 10)	1,402,268	1,386,102
Net Assets	$ 11,720,727	$ 10,812,325
Net Assets		
Net Assets, Beginning of Year (Note 4)	$ 10,812,325	$ 10,290,469
Annual Deficit	(2,581,883)	(2,638,960)
Net Financing Provided from General Revenues	3,490,285	3,160,816
Net Assets, End of Year	$ 11,720,727	$ 10,812,325

Contingent Liabilities and Contractual Obligations (Notes 14 and 15)

The accompanying notes and schedules are part of these consolidated financial statements.

Consolidated Statement of Change in Net Financial Assets

for the year ended March 31, 2017

(in thousands)

	2017		2016
	Budget	Actual	Actual (Restated Note 4)
Annual Deficit	$(2,631,826)	$(2,581,883)	$(2,638,960)
Acquisition of Tangible Capital Assets (Note 12)	(966,383)	(724,266)	(726,262)
Donation of Tangible Capital Assets (Note 12)		(6,558)	(40,752)
Amortization of Tangible Capital Assets (Note 12)	502,932	506,667	486,065
Write-down and Loss on Disposal of Tangible Capital Assets		5,888	6,789
Proceeds on Sale of Tangible Capital Assets		8,554	6,011
Assets Held for Sale		4,674	12,448
Change in Inventories of Supplies		(185)	(55)
Change in Prepaid Expenses		(282)	2,980
Change in Spent Deferred Capital Contributions		16,166	32,000
Net Financing Provided from General Revenues		3,490,285	3,160,816
Increase in Net Financial Assets		719,060	301,080
Net Financial Assets, Beginning of Year		4,106,125	3,805,045
Net Financial Assets, End of Year		$ 4,825,185	$ 4,106,125

The accompanying notes and schedules are part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended March 31, 2017

(in thousands)

	2017	2016 (Restated Note 4)
Operating Transactions		
Annual Deficit	$(2,581,883)	$(2,638,960)
Non-Cash Items included in Net Operating Results		
Amortization of Tangible Capital Assets (Note 12)	506,667	486,065
Deferred Capital Contributions Recognized as Revenue (Note 10)	(117,972)	(93,564)
Loss from Government Business Enterprises (Schedule 5)	1,777	3,675
Gain on Sale of Portfolio Investments	(144,134)	(97,051)
Write-down and Loss on Disposal of Tangible Capital Assets	5,888	6,789
Donation of Capital Assets (Note 12)	(6,558)	(40,752)
Valuation Adjustments		
Provision for Employee Future Benefits	(10,137)	18,692
Provision for Future Cost of Student Loans Issued	62,726	41,258
Student Loans Valuation Adjustments	(8,730)	(7,251)
Provision for Vacation Pay and Other Provisions	11,489	(2,351)
	(2,280,867)	(2,323,450)
(Increase) Decrease in Accounts Receivable	(35,978)	19,026
(Increase) Decrease in Prepaid Expenses	(282)	2,980
Decrease in Inventories for Resale	12,857	2,247
Increase in Inventories for Supplies	(185)	(55)
Decrease in Accounts Payable and Accrued Liabilities	(23,305)	(35,603)
Increase in Deferred Revenue	80,381	84,476
Cash Applied to Operating Transactions	(2,247,379)	(2,250,379)
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 12)	(724,266)	(726,262)
Proceeds on Sale/Disposal of Tangible Capital Assets	8,554	6,011
Cash Applied to Capital Transactions	(715,712)	(720,251)
Investing Transactions		
Student Loan Disbursements	(645,385)	(534,889)
Student Loan Repayments	159,224	138,713
Purchases of Portfolio Investments	(1,083,879)	(1,276,437)
Proceeds on Sale of Portfolio Investments	944,976	1,224,039
Repayments from Government Business Enterprises	1,077	1,107
Cash Applied to Investing Transactions	(623,987)	(447,467)
Financing Transactions		
Contributions Restricted for Capital (Note 10)	115,747	63,725
Net Financing Provided from General Revenues	3,490,285	3,160,816
Debt Issues	162,504	37,049
Debt Retirement	(50,888)	(47,560)
Cash Provided by Financing Transactions	3,717,648	3,214,030
Increase (Decrease) in Cash and Cash Equivalents	130,570	(204,067)
Cash and Cash Equivalents, Beginning of Year	574,697	778,764
Cash and Cash Equivalents, End of Year	$ 705,267	$ 574,697

The accompanying notes and schedules are part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

March 31, 2017

Note 1 Authority and Purpose

The Ministry of Advanced Education operates under the authority of the *Government Organization Act* and its regulations and has been designated responsibilities for various Acts. Below are the organizations that form the Ministry of Advanced Education and the authority under which each organization operates. Schedule 7 provides a detailed listing of entities included in the organizational groupings.

Organization	Authority
Department of Advanced Education	*Government Organization Act*
Access to the Future Fund	*Access to the Future Act*
Public Post-secondary Institutions	*Post-secondary Learning Act*

In support of Alberta's vision, Advanced Education's purpose is to strive to engage Albertans in learning to build a resilient economy and thriving society.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity and Method of Consolidation

The reporting entity is the Ministry of Advanced Education, for which the Minister of Advanced Education is accountable. The accounts of the Ministry are fully consolidated which includes the Department and the entities listed in Schedule 7 on a line-by-line basis except for government business enterprises. Under this method, accounting policies of the consolidated entities are adjusted to conform to government accounting policies and the results of each line item in their financial statements (revenues, expenses, assets, and liabilities) are included in government's results.

Organizations that the Ministry controls for reporting purposes through its consolidated organizations, but that do not meet the materiality threshold of $6 million in assets, liabilities, revenues or expenses after eliminating inter-entity transactions and balances are not consolidated in these financial statements. These organizations are analyzed yearly to determine if they have met the materiality threshold and after two years of exceeding the threshold will be considered for consolidation.

Revenue and expense, capital, investing and financing transactions and related asset and liability balances between the consolidated entities have been eliminated. Accounting policies have been adjusted to conform with those of the Ministry.

The year end of the Access to the Future Fund, University of Alberta, University of Calgary, University of Lethbridge, Athabasca University and The Banff Centre is March 31.

The year end for colleges, technical institutes, MacEwan University and Mount Royal University is June 30. Transactions of these organizations that have occurred between the period July 1, 2016 to March 31, 2017, and are $1 million or greater that significantly affect the consolidated accounts, have been recognized.

All the organizations are fully consolidated except for government business enterprises (GBEs) which are reported on a modified equity basis (see Schedule 5), with the equity being computed in accordance with the accounting standards applicable to those entities. Under the modified equity method, the accounting policies of the GBEs are not adjusted to conform to those of the other government organizations. Inter-sector revenue and expense transactions and related assets and liability balances are not eliminated.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recognized as deferred revenue.

Investment income earned from restricted sources is deferred and recognized when the stipulations imposed have been met. Gains and losses on investments are not recognized in the Consolidated Statement of Operations until realized.

Endowment contributions, matching contributions, and associated investment income allocated for preservation of endowment capital purchasing power are recognized as "Other Revenue" in the Consolidated Statement of Operations in the period in which they are received.

Government Transfers

Transfers from all governments are referred to as government transfers.

Government transfers and the associated externally restricted investment income are recognized as deferred capital contributions or deferred revenue if the eligibility criteria for use of the transfer, or the stipulations together with the Ministry's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the Ministry complies with its communicated use of these transfers.

All other government transfers, without stipulations for use of the transfer, are recognized as revenue when the transfer is authorized and the Ministry meets the eligibility criteria (if any).

Donations and Non-Government Grants

Donations and non-government grants are received from individuals, corporations, and private sector not-for-profit organizations. Donations and non-government grants may be unrestricted or externally restricted for operating or capital purposes. Unrestricted donations and non-government grants are recognized as revenue in the year received or in the year the funds are committed and the amounts can be reasonably estimated. Externally restricted donations, non-government grants, and realized gains and losses for the associated externally restricted investment income are recognized as deferred revenue if the term for their use, or the terms along with the Ministry's actions and communications as to the use, create a liability. These resources are recognized as the terms are met and, when applicable, the Ministry complies with its communicated use.

Grants and Donations for Land

The Ministry recognizes transfers and donations for the purchase of land as a liability when received, and as revenue when the Ministry purchases the land. The Ministry recognizes in-kind contributions of land as revenue at the fair value of the land. When the Ministry cannot determine the fair value, it records such in-kind contributions at a nominal value.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for. In addition to program operating expenses such as salaries and supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets;
- inventory consumed;
- pension costs which comprise the cost of employer contributions for current service of employees during the year; and
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to Universities Academic Pension Plan, student loans and vacation pay.

Grants are recognized as expenses when authorized and the eligibility criteria, if any, are met and a reasonable estimate of the amounts can be made.

Incurred by Others

Services contributed by other related entities in support of the Ministry's operations are not recognized and are allocated to programs to show the full cost in Schedule 3.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments. The fair value of long-term debt approximates its carrying value as interest rates approximate the market value. Fair values of loans and advances and liability for student loans issued are not reported as there is no organized financial market for the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair value with sufficient reliability.

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets are the Ministry's financial claims on external organizations and individuals, and inventories for resale at the year end.

Cash and Cash Equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

Accounts Receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Portfolio Investments

Portfolio investments are reported at cost, or amortized cost, less any write-downs associated with a loss in value that is other than a temporary decline. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value. Gains and losses on investments are recognized when an investment is sold or when there is a permanent impairment in the value of an investment.

Endowments are included in Financial Assets in the Consolidated Statement of Financial Position. Donors have placed restrictions on their contributions to the endowments, for example capital preservation. The principal restriction is that the original contribution should be maintained intact in perpetuity. Other restrictions may include spending investment income earned by endowments for specific operational or capital purposes, or capitalizing a certain amount of investment income to maintain and grow the real value of endowments.

Loans and Advances

Loans and advances are recognized at cost less any allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

Inventories for Resale

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

Liabilities

Liabilities represent present obligations of the Ministry to external organizations and individuals arising from transactions or events occurring before the year end. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amount.

Liabilities also include:

- all financial claims payable by the Ministry at the year end;
- accrued employee vacation entitlements; and
- contingent liabilities where future liabilities are likely.

Debt

Notes, debentures, and mortgages are recognized at their face amount less unamortized discount, which includes issue expenses.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Deferred Revenue

Where the Ministry has received restricted contributions which have not been fully used in the period, this gives rise to deferred revenue.

Liability for Contaminated Sites

Contaminated sites are a result of contamination of a chemical, organic or radioactive material or live organism that exceeds an environmental standard, being introduced into soil, water or sediment. The liability is recognized net of any expected recoveries. A liability for remediation of contaminated sites normally results from operation(s) that is no longer in productive use and is recognized when all of the following criteria are met:

i) an environmental standard exists;

ii) contamination exceeds the environmental standard;

iii) Ministry of Advanced Education is directly responsible or accepts responsibility;

iv) it is expected that future economic benefits will be given up; and

v) a reasonable estimate of the amount can be made.

Asset Retirement Obligations

Liabilities are recognized for statutory, contractual or legal obligations, associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related asset.

In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included in determining the results of operations.

Non-Financial Assets

Non-financial assets are limited to tangible capital assets, inventories of supplies and prepaid expenses.

Tangible Capital Assets

Tangible capital assets of the Ministry are recognized at historical cost and amortized on a straight-line basis over the estimated useful life of the assets. Donated tangible capital assets are recognized at their fair value at the time of contribution. The thresholds for capitalization, as determined by the entities, are $1,000 to $250,000 for new systems development and $1,000 to $100,000 for major enhancements. The threshold for all other tangible capital assets, as determined by the entities, is $1,000 to $15,000. All land is capitalized.

Amortization is only charged if the tangible capital asset is put into service.

When physical assets (tangible capital assets and inventories) are gifted or sold for a nominal sum, the net book value of these physical assets less any nominal proceeds are recognized as grants in kind. Unrealized gains and losses on transfers to controlled entities are eliminated on consolidation.

Post-secondary institutions have collections consisting of historical artifacts and provincial, national and international works of art. The value of these collections is not recognized in the consolidated financial statements. Contributed tangible capital assets are recognized at their fair value at the time of contribution.

Inventories of Supplies

Inventories of supplies are valued at the lower of cost and replacement cost. Cost is determined on a first-in, first-out basis.

Prepaid Expenses

Prepaid expenses are recognized at cost and amortized based on the terms of the agreement.

Payments under Agreement

The Ministry entered into agreements with the federal government to provide services on its behalf.

Expenses incurred and revenue earned in the provision of services under these agreements are recorded in the records of the service providers and are not included in these consolidated financial statements. Amounts paid and recovered under agreements are disclosed in Note 16.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Measurement Uncertainty *(in thousands)*

Measurement uncertainty exists when there is variance between the recognized or disclosed amount and another reasonably possible amount.

The areas with measurement uncertainty are student loans receivable of $2,155,514 (Note 7) which consists of:

- the allowance for impaired loans amounting to $227,253 (2016 - $174,813);
- the allowance for loan subsidy amounting to $32,106 (2016 - $33,071); and
- the allowance for repayment assistance amounting to $6,440 (2016 - $4,264).

The allowances are used to reflect loans receivable at the lower of cost and net recoverable value. Changes to the allowances are recorded in the Consolidated Statement of Operations to the provision for the future cost of student loans issued.

In 2016-17, $62,726 was recorded as the provision for the future cost of student loans issued to reflect the change in the allowances.

The Ministry has made certain estimates in the following areas:

- Recovery and default rates in the determination of the allowance for impaired loans;
- Blended student lending rate, the annual average provincial borrowing rate, the average repayment period, default rate, and repayment assistance rate in the determination of the allowance for loan subsidy;
- Future loan amounts approved for repayment assistance, and loan forgiveness rates in the determination of the allowance for repayment assistance.

The impact of changes in estimates would affect the total student loan provision as follows:

Impaired Loans – An increase or decrease of 0.25% to the default rate would increase the calculated provision for impaired loans by $5,710 (9.1%) and decrease impaired loans by $5,710 (9.1%) respectively.

Loan Subsidy – An increase or decrease of 0.25% in the provincial borrowing rate would increase the provision by $9,718 (15.5%) and decrease the provision by $9,626 (15.4%) respectively. An increase or decrease of 0.25% in the student lending rate would decrease the provision by $6,843 (10.9%) and increase the provision by $7,127 (11.4%) respectively.

Repayment Assistance – an increase or decrease of 1% in the repayment assistance amounts or loan forgiveness rate would have a minimal impact on the calculated provision.

As a final note, sensitivity analysis is based on assumptions which may not necessarily be linear. Although some of the other variables mentioned above were not applied in the calculations of the sensitivity, actual experience has shown that changes in one variable may amplify or suppress changes in another which would impact the overall result differently from the projected outcome.

With respect to the Universities Academic Pension Plan, the plan's actuary has made certain estimates and assumptions in the determination of the March 31, 2017 extrapolated results. Refer to Note 11 for these assumptions.

Changes in these estimates could materially impact the unfunded liability for the Universities Academic Pension Plan.

Government Endowment Fund for Scholarships

The Alberta Heritage Scholarship Fund operates under the *Alberta Heritage Scholarship Act* for the purpose of investing the endowment funds to make income available for scholarships.

The Ministry of Treasury Board and Finance controls this endowment. However the Ministry of Advanced Education has an economic interest in the endowment as it assists in funding Ministry programs. Additional information on the endowment can be found in the financial statements for Alberta Treasury Board and Finance.

	Net Assets			
	2017		2016	
(in thousands)	Value at Cost	Fair Value	Value at Cost	Fair Value
Alberta Heritage Scholarship Fund	$ 1,205,282	$ 1,301,116	$ 1,107,922	$ 1,213,873

Note 3 Future Accounting Changes

The Public Sector Accounting Board has issued the following accounting standards:

- **PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions (effective April 1, 2017)**
  PS 2200 defines a related party and establishes disclosures required for related party transactions; PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.
- **PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights (effective April 1, 2017)**
  PS 3210 provides guidance for applying the definition of assets set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000, and establishes general disclosure standards for assets; PS 3320 defines and establishes disclosure standards on contingent assets; PS 3380 defines and establishes disclosure standards on contractual rights.
- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
  This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.
- **PS 3450 Financial Instruments (effective April 1, 2019)**
  The Ministry has not yet adopted this standard and has the option of adopting it in fiscal year 2019-20 or earlier. Adoption of this standard requires corresponding adoption of: PS 2601, Foreign Currency Translation; PS 1201, Financial Statements Presentation; and PS 3041, Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement, and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments.

  Management is currently assessing the impact of these standards on the financial statements.

Note 4 Government Reorganization and Prior Period Restatement

(in thousands)

As of April 1, 2016, Health Workforce Action Plan funds were re-allocated from the Ministry of Labour to Alberta Health, Ministry of Advanced Education and Ministry of Community and Social Services.

To effectively support Albertans impacted by the current economic downturn, the Ministry has worked collaboratively with the Ministry of Community and Social Services and Ministry of Labour to realign the delivery of employment and training programs to provide a more consistent, efficient and user-friendly experience to Albertans, effective April 1, 2016 (O.C. 83/2016).

Comparatives for 2016 have been restated as if the Ministry had always been assigned with its current responsibilities.

Net assets on April 1, 2015 are made up as follows:

Net assets as previously reported by the Ministry of Advanced Education	$ 10,289,872
Transfer from the Ministry of Community and Social Services	597
Transfer from the Ministry of Labour	—
Net assets of the Ministry of Advanced Education restated as at April 1, 2015	$ 10,290,469

Net financial assets on April 1, 2015 are made up as follows:

Net financial assets as previously reported by the Ministry of Advanced Education	$ 3,805,276
Transfer from the Ministry of Community and Social Services	(231)
Transfer from the Ministry of Labour	—
Net financial assets of the Ministry of Advanced Education restated as at April 1, 2015	$ 3,805,045

Note 5 Cash and Cash Equivalents

(in thousands)

Cash and cash equivalents include deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high quality, short-term securities with a maximum term to maturity of three years. As at March 31, 2017, securities held by the fund have a time-weighted return of 0.9% (2016 - 0.8%) per annum. Due to the short-term nature of CCITF investments, the carrying value approximates fair value.

	2017	2016
Cash	$ 558,158	$ 359,182
Cash Equivalents (1)	147,109	215,515
	$ 705,267	$ 574,697

(1) Cash equivalents include money market funds, short-term notes and treasury bills.

Note 6 Accounts Receivable

(in thousands)

	2017			2016 (Restated Note 4)
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	$ 322,192	$ (6,914)	$ 315,278	$ 279,300

Accounts receivable are unsecured and non-interest bearing.

Note 7 Loans and Advances

(in thousands)

	2017	2016
Loans Receivable	$ 2,421,313	$ 1,935,497
Less:		
Allowance for Impaired Loans	(227,253)	(174,813)
Allowance for Loan Subsidy	(32,106)	(33,071)
Allowance for Repayment Assistance	(6,440)	(4,264)
	$ 2,155,514	$ 1,723,349

Under the Alberta Student Aid Program, loans are provided by the Ministry to qualifying students on terms prescribed by the Minister of Advanced Education.

Loans become payable and interest is earned starting six months after students discontinue their studies or graduate. Loans are unsecured and are repayable to a maximum term of 114 months. The interest rates on student loans are a floating rate of prime plus 2%.

Loans are classified as impaired when:

- there is no longer reasonable assurance as to the timely collection of the full amount of principal or interest; or
- the borrower has failed to make payments for a period of 150 days; or
- interest is owing to the Province for a period of 180 days.

When loans are classified as impaired, interest ceases to accrue.

Loans receivable are stated at cost net of the allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

The allowance for impaired loans is a provision that estimates the amount of loans receivable that will be impaired. The key assumptions used to determine this provision are default rates of 6.05% (2016 - 5.81%) and recovery rates of 29% (2016 - 30%).

The allowance for loan subsidy is a provision that reflects the future benefit provided to students. This benefit is a result of favourable loan terms where the Ministry does not receive interest payments over the term of the loans to fully cover the Ministry's cost of financing the loan portfolio. Changes in future year estimates are expensed and amortized on the allowance for loan subsidy over the estimated life of the student loan. The key assumptions used to determine this provision are a blended student lending rate of 3.20% (2016 - 3.49%), the annual average provincial borrowing rate of 2.45% (2016 - 2.5%), the average repayment period of 9 years (2016 - 9 years), default rate assumptions, and Repayment Assistance Plan rate assumptions.

The allowance for repayment assistance is a provision that estimates the amount of loans receivable that will be forgiven by the Ministry through the repayment assistance program. The key assumptions used to determine the provision are future loan amounts approved for repayment assistance and loan forgiveness rates of 8.5% (2016 - 7.4%).

Note 8 Accounts Payable and Accrued Liabilities

(in thousands)

	2017	2016 (Restated Note 4)
Accounts Payable	$ 11,773	$ 17,649
Accrued Liabilities	759,440	765,380
	$ 771,213	$ 783,029

Note 9 Debt

(in thousands)

	2017			2016
	Maturity	Average Interest Rate	Book Value (2)	Book Value (2)
Debentures (1)	Up to December 2047	3.87%	$ 1,089,147	$ 983,699
Bank Loan	April 2020	2.75%	3,502	329
			1,092,649	984,028
Liabilities under Capital Leases (3)			6,054	3,059
			$ 1,098,703	$ 987,087

(1) Debentures are payable to Alberta Capital Finance Authority.

(2) Book value approximates fair value.

(3) The calculation of the liabilities under capital leases is as follows:

	2017	2016
Liabilities, Beginning of Year	$ 3,059	$ 4,034
Additions to Liabilities during Year	4,997	1,549
Principal Repayments	(2,002)	(2,524)
Liabilities, End of Year	$ 6,054	$ 3,059

Principal repayments in each of the next five years and thereafter are as follows:

2017-18	$ 55,594
2018-19	111,155
2019-20	189,597
2020-21	40,210
2021-22	40,140
Thereafter	662,007
	$ 1,098,703

Note 10 Deferred Contributions

(in thousands)

	2017	2016 (Restated Note 4)
Unspent Deferred Capital Contributions and Transfers (1)	$ 80,044	$ 39,120
Spent Deferred Capital Contributions and Transfers (2)	1,402,268	1,386,102
Deferred Revenue (3)	1,037,306	1,016,240
	$ 2,519,618	$ 2,441,462

(1) Unspent Deferred Capital Contributions and Transfers

	2017			2016
	Government of Alberta	Other	Total	Total
Balance, Beginning of Year	$ 1,456	$ 37,664	$ 39,120	$ 49,163
Prior Period Adjustments	(21)	227	206	—
Received/Receivable during Year	251	115,496	115,747	63,725
Restricted Realized Investment Income	—	(77)	(77)	1,373
Transferred to Revenue	(48)	(5,261)	(5,309)	(1,281)
Transferred (to) from Other	(142)	1,023	881	201
Transferred to Spent Deferred Capital Contributions	(284)	(70,240)	(70,524)	(74,061)
Balance, End of Year	$ 1,212	$ 78,832	$ 80,044	$ 39,120

(2) Spent Deferred Capital Contributions and Transfers

	2017			2016
	Government of Alberta	Other	Total	Total
Balance, Beginning of Year	$ 229,797	$ 1,156,305	$ 1,386,102	$ 1,354,102
Transferred from Unspent Deferred Contributions	284	70,240	70,524	74,061
Transferred from Deferred Contributions and Other	16,512	48,735	65,247	51,503
Disposition of Capital Assets	—	(1,633)	(1,633)	—
Less Amounts Recognized as Revenue	(23,033)	(94,939)	(117,972)	(93,564)
Balance, End of Year	$ 223,560	$ 1,178,708	$ 1,402,268	$ 1,386,102

(3) Deferred Revenue

	2017			2016
	Government of Alberta	Other	Total	Total (Restated Note 4)
Balance, Beginning of Year	$ 157,244	$ 858,996	$ 1,016,240	$ 983,221
Cash Contributions Received/Receivable during the Year	309,596	1,561,490	1,871,086	1,837,017
Less Amounts Recognized as Revenue	(285,795)	(1,496,934)	(1,782,729)	(1,730,393)
Other Transfers and Adjustments	(16,549)	(50,742)	(67,291)	(73,605)
Balance, End of Year	$ 164,496	$ 872,810	$ 1,037,306	$ 1,016,240

Note 11 Pension Liabilities

(in thousands)

	2017	2016
Pension Liability		
Universities Academic Pension Plan	$ 230,232	$ 244,264
Supplementary Pension Plans	58,132	54,237
	$ 288,364	$ 298,501

Universities Academic Pension Plan

The Universities Academic Pension Plan (UAPP) is a joint defined benefit pension plan primarily comprised of academic staff members and other eligible employees of the Universities of Alberta, Calgary, Lethbridge and Athabasca, and The Banff Centre (employers). The Universities Academic Pension Plan Board (the Board) is the trustee and administrator of the UAPP. The Board operates under the authority of the *Employment Pension Plans Act*.

An actuarial valuation of the UAPP was carried out as at December 31, 2014 and was extrapolated to March 31, 2017 using the projected unit cost method prorated on benefits. The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases, and employee turnover and mortality. The significant actuarial assumptions used to measure the accrued benefit obligation are as follows:

	2017	2016
Discount Rate	6.0%	6.0%
Expected Rate of Return on Plan Assets	6.0%	6.0%
Salary Escalation Rate	3.0%	3.0%
Real Wage Growth	1.0%	1.0%
Inflation Rate	2.0%	2.0%
Estimated Average Remaining Service Life (years)	10.8	10.8

The 2016 UAPP Annual Report identifies an unfunded liability at December 31, 2016 in the amount of $874,400 (2015 - $1,024,700). An actuarial extrapolation of this amount to March 31, 2017, adjusted for public sector reporting standards, estimates the unfunded liability at $763,861 (2016 - $868,736) and unamortized actuarial gain totalling $36,203 (2016 - actuarial gain $3,330). The following table provides further breakdown of how the liability has been allocated amongst the participants:

	Alberta Treasury Board and Finance	Employees	Employers	March 31, 2017 Extrapolated Results	March 31, 2016 Extrapolated Results
Pre '92	$ 293,556	$ 256,437	$ 256,437	$ 806,430	$ 817,639
Post '91	—	(21,284)	(21,285)	(42,569)	51,097
Total Unfunded Liability	$ 293,556	$ 235,153	$ 235,152	$ 763,861	$ 868,736

The unfunded liability for service prior to January 1, 1992 is financed by additional contributions of 1.25% (2016 - 1.25%) of salaries by Alberta Treasury Board and Finance and the balance of the required contributions, 3.54% (2016 - 3.54%) of salaries, is equally split between employees and employers in order to eliminate the unfunded deficiency by December 31, 2043.

The total contributions for the year (which includes the current year's service) were $259,514 (2016 - $239,818) of which the contributions made by employees were $124,194 (2016 - $113,732), contributions made by employers were $124,742 (2016 - $114,265) and contributions made by Alberta Treasury Board and Finance were $10,578 (2016 - $11,821).

Additional information on UAPP can be found in the Annual Report of UAPP.

Note 11 Pension Liabilities (continued) *(in thousands)*

The expense and financial position of the UAPP is as follows:

	2017	2016
Pension Liability		
Accrued Benefit Obligation		
Balance, Beginning of Year	$ 4,971,908	$ 4,956,748
Current Service Cost	173,939	168,982
Interest Cost	301,661	305,240
Benefits Paid	(236,336)	(243,587)
Actuarial Gain	(28,628)	(215,475)
Balance, End of Year	5,182,544	4,971,908
Pension Fund Assets	(4,418,683)	(4,103,173)
Total Unfunded Liability	$ 763,861	$ 868,735
Ministry's Portion of Total Unfunded Liability	$ 235,152	$ 294,128
Unamortized Actuarial Net Loss	(4,920)	(49,864)
Total UAPP Pension Liability	$ 230,232	$ 244,264

The expense of this plan is $110,711 (2016 - $127,457) and includes the following components:

	2017	2016
Pension Expense		
Current Period Benefit Cost	$ 86,970	$ 84,491
Amortization of Actuarial Gains/Losses	4,617	16,399
Pension Expense	91,587	100,890
Interest Cost on the Average Accrued Benefit Obligation	135,122	134,974
Expected Return on Average Pension Plan Assets	(115,998)	(108,407)
Pension Interest Expense	19,124	26,567
Total UAPP Pension Expense	$ 110,711	$ 127,457

Ministry Pension Plans

The Ministry participates in the multi-employer pension plans: Management Employees Pension Plan, Local Authorities Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $165,149 for the year ended March 31, 2017 (2016 - $138,216 *Restated Note 4*).

At December 31, 2016, the Management Employees Pension Plan reported a surplus of $402,033 (2015 - surplus of $299,051), the Local Authorities Pension Plan reported a deficiency of $637,357 (2015 - deficiency of $923,416) and the Public Service Pension Plan reported a surplus of $302,975 (2015 - deficiency of $133,188). At December 31, 2016, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $50,020 (2015 - deficiency of $16,305).

Certain consolidated entities provide defined supplementary executive retirement plans for certain management staff, and other benefit plans for all or specific groups of staff, depending on the plans. The cost of these benefits are actuarially determined on an annual basis using the projected benefit method pro-rated on services, the government borrowing rate, management's best estimate of expected costs, and the period of benefit coverage. At March 31, 2017, these plans have a net accrued liability of $58,132 (2016 - $54,237). This liability is included in employee future benefits. The expense of these supplementary retirement plans is $6,748 (2016 - $10,630 *Restated*).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2017, the Bargaining Unit Plan reported a surplus of $101,515 (2016 - surplus $83,006) and the Management, Opted Out and Excluded Plan reported a surplus of $31,439 (2016 - surplus $29,246). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 12 Tangible Capital Assets

(in thousands)

	Land	Building	Land Improvements	Equipment (2)	Computer Hardware and Software	Other (3)	2017 Total	2016 Total
Estimated Useful Life	Indefinite	3-50 years	5-40 years	2-25 years	2-15 years	2-25 years		
Historical Cost (1)								
Beginning of Year	$ 290,744	$ 10,120,252	$ 61,348	$ 2,231,181	$ 970,710	$ 761,445	$ 14,435,680	$ 13,781,309
Additions	1,366	515,000	1,048	107,733	51,710	47,409	724,266	726,262
Donations	—	—	10	6,392	138	18	6,558	40,752
Disposals, including Write-downs	(5,444)	(16,588)	(37)	(59,708)	(37,087)	(5,873)	(124,737)	(82,387)
Transfers to Other Ministries	—	—	—	—	—	—	—	(147)
Transfer to Assets Held for Sale	(782)	(21,409)	—	—	—	—	(22,191)	(18,213)
Adjustments (4)	—	(15,904)	—	4,349	1,195	—	(10,360)	(11,896)
	285,884	10,581,351	62,369	2,289,947	986,666	802,999	15,009,216	14,435,680
Accumulated Amortization								
Beginning of Year	—	3,409,589	18,519	1,544,733	864,238	562,997	6,400,076	6,001,406
Amortization Expense	—	268,047	2,170	148,905	49,128	38,417	506,667	486,065
Effect of Disposals, including Write-downs	—	(15,250)	(37)	(56,369)	(34,715)	(4,002)	(110,373)	(72,926)
Transfers to Other Ministries	—	—	—	—	—	—	—	(147)
Transfer to Assets Held for Sale		(17,517)	—	—	—	—	(17,517)	(5,765)
Adjustments (4)	—	(10,283)	—	(5)	6	—	(10,282)	(8,557)
	—	3,634,586	20,652	1,637,264	878,657	597,412	6,768,571	6,400,076
Net Book Value at March 31, 2017	$ 285,884	$ 6,946,765	$ 41,717	$ 652,683	$ 108,009	$ 205,587	$ 8,240,645	
Net Book Value at March 31, 2016	$ 290,744	$ 6,710,663	$ 42,829	$ 686,448	$ 106,472	$ 198,448		$ 8,035,604

(1) Historical cost includes work-in-progress at March 31, 2017 totalling $716,864 (2016 - $698,989) comprised of Building and Site Improvements - $695,408 (2016 - $666,229), Land Improvements - $0 (2016 - $174), Equipment - $12,895 (2016 - $18,114), Computer Hardware and Software - $8,447 (2016 - $13,913) and Other - $114 (2016 - $559).

(2) Equipment includes vehicles, heavy equipment, office equipment and furniture, other equipment.

(3) Other includes leasehold improvements, library materials and asset retirement obligations.

(4) Adjustments relate to post-secondary institutions for accounting policy changes and reclassifications between capital asset categories. Prior year's beginning balance of costs and accumulated amortization were decreased by $10,283 (2016 - $0) respectively.

Note 13 Endowments

(in thousands)

The investment policy of three of the post-secondary institutions requires that the unrealized gains/losses of the endowment investments are recorded as part of the endowment balance. The aggregated amount of the unrealized gain is $363,820 (2016 - $218,606 *Restated*).

The Ministry does not record the unrealized gains/losses because it will not adopt PS 3450 Financial Instruments until April 1, 2019.

	2017	2016
Beginning Balance	$ 2,007,472	$ 1,913,914
Contributions	63,674	46,889
Reinvested Income	73,761	33,204
Net Transfers from Unrestricted Net Assets	13,248	13,465
	$ 2,158,155	$ 2,007,472

Note 14 Contingent Liabilities

(in thousands)

At March 31, 2017 the Ministry of Advanced Education is a defendant in a number of legal proceedings. While the ultimate outcome and liability of these proceedings cannot be reasonably estimated at this time, the Ministry believes that any settlement will not have a material adverse effect on its financial position or the results of operations. The Ministry has concluded that none of the claims meet the criteria for being recorded under PSAS.

The Ministry has identified potential asset retirement obligations related to the existence of asbestos in a number of its facilities. Although not a current health hazard, upon renovation or demolition of these facilities, the Ministry may be required to take appropriate remediation procedures to remove the asbestos. As the Ministry has no legal obligation to remove the asbestos in these facilities as long as the asbestos is contained and does not pose a public health risk, the fair value of the obligation cannot be reasonably estimated due to the indeterminate timing and scope of the removal. However, when there are plans to demolish or renovate a building which contains asbestos, the obligation related to the demolition is determined and recorded as part of the project costs. In the current year, the Ministry has recorded a liability for contaminated sites of $284 (2016 - $1,297 *Restated*).

Note 15 Contractual Obligations

(in thousands)

Contractual obligations are obligations of the Ministry to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2017	2016 (Restated Note 4)
Obligations under Operating Leases, Contracts and Programs	$ 1,104,123	$ 1,008,028

Estimated payment requirements for each of the next five years and thereafter are as follows:

	Obligations under Operating Leases, Contracts and Programs
2017-18	$ 777,704
2018-19	132,272
2019-20	62,697
2020-21	30,419
2021-22	15,711
Thereafter	85,320
	$ 1,104,123

Note 16 Payments under Agreement

(in thousands)

The Ministry has entered into agreements to deliver programs that are fully funded by the Government of Canada. The Ministry incurs these costs under the authority of Section 25 of the *Financial Administration Act*. Accounts Payable includes $123 (2016 - $9,404 Accounts Payable) relating to payments under agreement.

Effective for study periods starting August 1, 2016, federal grants to students will be issued directly from the National Student Loan Centre. A payable to the federal government exists as a result of collections on federal grant overpayments.

Government of Canada

Net amounts paid and (payable) under agreements on behalf of the Government of Canada are as follows:

	2017	2016
Canadian Millennium Scholarship Foundation		
Canadian Millennium Scholarships	$ (5)	$ (4)
Government of Canada		
Canada Study Grants	(3)	(6)
Canada Student Grants	(115)	8,637
	$ (123)	$ 8,627

Note 17 Funds Held on Behalf of Others

(in thousands)

The Ministry holds funds on behalf of others over which the legislature has no power of appropriation. Because the Ministry has no equity in the funds and holds them for the purposes of various other organizations, they are not included in the Ministry's financial statements. Total net assets of the funds held on behalf of others by the Ministry at March 31, 2017 were $43,979 (2016 - $44,773).

Note 18 Comparative Figures

Certain 2016 figures have been reclassified to conform to the 2017 presentation.

Note 19 Approval of Consolidated Financial Statements

The Deputy Minister and Senior Financial Officer approved these consolidated financial statements.

Schedules to the Consolidated Financial Statements

for the year ended March 31, 2017

Schedule 1 Consolidated Revenues

for the year ended March 31, 2017

(in thousands)

	2017 Actual	2016 Actual (Restated Note 4)
Government Transfers		
Government of Alberta Grants		
Alberta Heritage Scholarship Fund	$ 50,805	$ 49,011
Access to the Future Fund	—	—
Public Post-Secondary Institutions	315,409	319,764
	366,214	368,775
Federal and Other Government Grants		
Public Post-Secondary Institutions	410,512	362,854
Labour Market Development	82,991	76,906
Other	8,312	8,248
	501,815	448,008
Investment Income		
Interest on Student Loans Issued	22,352	19,492
Public Post-Secondary Institutions	210,010	182,481
Other	506	559
	232,868	202,532
Loss from Government Business Enterprises (Schedule 5)	(1,777)	(3,675)
Premiums, Fees and Licences		
Apprenticeship Services	4,392	5,174
Licence Fees	359	2,663
	4,751	7,837
Tuition and Non-Credit Courses	1,168,827	1,157,663
Sales, Rentals and Services	612,217	584,660
Donations, Grants and Contributions	317,267	319,123
Other Revenue		
Refunds of Expenditure	3,790	7,337
Miscellaneous	11,055	1,433
Endowment Contributions and Reinvested Income	137,435	80,093
	152,280	88,863
	$ 3,354,462	$ 3,173,786

Schedule 2 Consolidated Expenses – Directly Incurred Detailed by Object

for the year ended March 31, 2017

(in thousands)

	2017 Actual	2016 Actual (Restated Note 4)
Salaries, Wages and Employee Benefits	$ 3,485,391	$ 3,389,415
Supplies and Services	1,326,403	1,327,819
Grants	505,573	504,014
Amortization of Tangible Capital Assets (Note 12)	506,667	486,065
Interest on Long-Term Debt	39,436	37,962
Provision – Student Aid	62,726	41,258
Other (1)	11,454	28,032
	5,937,650	5,814,565
Less: Recoveries from Support Service Arrangements with Related Parties (2)	(1,305)	(1,819)
	$ 5,936,345	$ 5,812,746

(1) This amount includes Provisions - Pensions, Employee Benefits, and Doubtful Accounts.

(2) The Ministry provides information technology, and legislative services to the Ministry of Economic Development and Trade. Information technology and emergency management services are also provided to the Ministry of Labour. Costs for these services are recorded from these ministries.

Schedule 3 Consolidated Allocated Costs

for the year ended March 31, 2017

(in thousands)

	2017					2016
		Expenses – Incurred by Others				
	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Business Services (4)	Total Expenses	Total Expenses (Restated Note 4)
Program						
Public Post-Secondary Institutions	$ 5,480,194	$ —	$ —	$ —	$ 5,480,194	$ 5,380,288
Department						
Ministry Support Services	27,850	1,706	315	3,778	33,649	39,552
Support for Adult Learning	78,666	1,197	193	—	80,056	76,482
Apprenticeship Delivery	40,694	2,826	77	—	43,597	45,778
Student Aid	230,165	1,413	79	—	231,657	197,561
Foundational Learning Supports	78,776	573	—	—	79,349	72,271
Alberta Centennial Education Savings Plan	—	—	—	—	—	13,533
	$ 5,936,345	$ 7,715	$ 664	$ 3,778	$ 5,948,502	$ 5,825,465

(1) Expenses – Directly Incurred as per Consolidated Statement of Operations.

(2) Costs are as shown for Accommodation on Schedule 6, including grants in lieu of taxes, allocated by square footage.

(3) Costs are as shown for Legal Services on Schedule 6 and allocated by estimated costs incurred by each program.

(4) Costs are as shown for Business Services on Schedule 6, including Shared Services, Internal Audit and other services, allocated by costs in certain programs.

Schedule 4 Consolidated Portfolio Investments

as at March 31, 2017

(in thousands)

	2017		2016	
	Value at Cost	Fair Value	Value at Cost	Fair Value
Interest-Bearing Securities				
Deposits and Short-Term Securities	$ 916,323	$ 917,209	$ 831,051	$ 834,889
Bonds and Mortgages	1,756,693	1,755,080	1,677,299	1,691,718
Floating Rate Notes	—	—	29,612	51,432
	2,673,016	2,672,289	2,537,962	2,578,039
Equities				
Canadian Equities	531,681	629,084	530,921	565,658
Foreign Equities	741,361	957,986	764,697	915,170
Pooled Hedged Funds	49,225	52,064	67,218	70,819
Pooled Investment Funds	816,414	1,020,124	635,211	777,134
	2,138,681	2,659,258	1,998,047	2,328,781
Inflation Sensitive and Alternative Investments				
Real Estate Funds	67,920	93,578	63,893	88,513
Other Investments	6,010	6,615	2,688	2,924
	73,930	100,193	66,581	91,437
Total Portfolio Investments	$ 4,885,627	$ 5,431,740	$ 4,602,590	$ 4,998,257

	2017		2016	
	Value at Cost	Fair Value	Value at Cost	Fair Value
Non-Endowment	$ 2,719,848	$ 2,823,378	$ 2,622,766	$ 2,718,133
Restricted for Endowments	2,165,779	2,608,362	1,979,824	2,280,124
Total Portfolio Investments	$ 4,885,627	$ 5,431,740	$ 4,602,590	$ 4,998,257

Schedule 5 Equity in Government Business Enterprises

as at March 31, 2017

(in thousands)

	2017	2016
Accumulated Deficit, Beginning of Year	$ (6,480)	$ (1,924)
Total Revenue	5,206	4,266
Total Expense	6,983	7,941
Loss from Commercial Operations	(1,777)	(3,675)
Transfer from (to) Share Capital	—	119
Dividends Paid	—	(1,000)
	—	(881)
Accumulated Deficit, End of Year	$ (8,257)	$ (6,480)
Represented by:		
Assets		
Financial Assets	$ 36,890	$ 30,387
Non-Financial Assets	22,358	9,297
	59,248	39,684
Liabilities		
Accounts Payable	8,921	8,065
Debt	38,829	17,267
	47,750	25,332
	$ 11,498	$ 14,352
Equity (Deficiency) in Government Business Enterprises, End of Year as reported by the entities:		
Keyano College	$ 14,177	$ 13,873
Northern Alberta Institute of Technology (1)	1,107	639
Olds College	2,056	2,466
Southern Alberta Institute of Technology (1)	1,452	999
University of Calgary	(7,294)	(3,625)
MacEwan University	—	—
University of Alberta	—	—
	$ 11,498	$ 14,352
Advances		
Advances to Keyano Land Trust	$ 11,168	$ 12,291
Advances to Olds College Trust	3,354	3,308
	$ 14,522	$ 15,599

(1) The amount represents the percentage equity owned by the Ministry:
Northern Alberta Institute of Technology - 33%
Southern Alberta Institute of Technology - 42%

Schedule 6 Related Party Transactions

for the year ended March 31, 2017 *(in thousands)*

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include key management personnel in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Ministry had the following transactions with related parties which are recognized on the Consolidated Statement of Operations and the Consolidated Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	2017	2016 (Restated Note 4)
Revenues		
Grants	$ 366,214	$ 368,775
Other	61,528	43,371
	$ 427,742	$ 412,146
Expenses – Directly Incurred		
Grants	$ 3,560	$ 6,348
Other Services	49,222	60,057
	$ 52,782	$ 66,405
Receivables from	$ 37,455	$ 20,499
Payables to	$ 17,233	$ 14,768
Deferred Revenue	$ 389,268	$ 388,497
Debt to Related Parties	$ 1,073,813	$ 976,045
Contractual Obligations	$ 14,126	$ 6,401

The above transactions do not include support service arrangement transactions disclosed in Schedule 2.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not reported in the consolidated financial statements and are disclosed in Schedule 3.

	2017	2016 (Restated Note 4)
Expenses – Incurred by Others		
Accommodation	$ 7,715	$ 8,002
Legal	664	747
Shared Services	3,668	3,846
Internal Audit	52	50
GOA Learning Centre	58	74
	$ 12,157	$ 12,719

Schedule 7 Entities Included in the Consolidated Financial Statements

Department of Advanced Education

Funds

Access to the Future Fund

Public Post-Secondary Institutions

Comprehensive Academic and Research Institutions

Athabasca University

University of Alberta

University of Calgary

University of Lethbridge

Baccalaureate and Applied Studies Institutions

MacEwan University

Mount Royal University

Polytechnical Institutions

Northern Alberta Institute of Technology

Southern Alberta Institute of Technology

Comprehensive Community Institutions

Bow Valley College

Grande Prairie Regional College

Keyano College

Lakeland College

Lethbridge College

Medicine Hat College

NorQuest College

Northern Lakes College

Olds College

Portage College

Red Deer College

Specialized Arts and Culture Institutions

Alberta College of Art + Design

The Banff Centre

Government Business Enterprises

Keyano College Land Trust

Olds College Trust

PanGlobal Training Systems Ltd.

PetroSkills Operations & Maintenance LLC

University Technologies Group

West Campus Development Corporation

MacEwan Downtown Corporation

advancededucation.alberta.ca/ministry/reports/annualreports/

Department of Advanced Education
Financial Statements

March 31, 2017 *Audited Information*

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AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Minister of Advanced Education

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Advanced Education, which comprise the statement of financial position as at March 31, 2017, and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Advanced Education as at March 31, 2017, and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher FCPA, FCA]
Auditor General

June 1, 2017
Edmonton, Alberta

Statement of Operations

for the year ended March 31, 2017 *(in thousands)*

	2017 Budget	2017 Actual	2016 Actual (Restated Note 3)
Revenues (Schedule 1)			
Government Transfers			
Government of Alberta Grants	$ 46,699	$ 50,805	$ 49,011
Government of Canada Grants	84,967	175,755	85,154
Investment Income	18,200	22,352	19,492
Premiums, Fees and Licences	7,955	6,724	8,000
Other Revenue	3,425	5,289	8,543
	161,246	260,925	170,200
Expenses – Directly Incurred (Note 2(b) and Schedules 3, 4, 6, 7)			
Programs			
Ministry Support Services	29,464	28,124	33,324
Support for Adult Learning	2,452,776	2,409,294	2,350,436
Apprenticeship Delivery	45,413	42,880	46,108
Student Aid	239,793	245,720	209,804
Foundational Learning Supports	76,188	78,776	72,131
Post-Secondary Infrastructure	434,614	519,666	213,038
Alberta Centennial Education Savings Plan	—	—	13,533
	3,278,248	3,324,460	2,938,374
Annual Deficit	$(3,117,002)	$(3,063,535)	$(2,768,174)

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

as at March 31, 2017 *(in thousands)*

	2017	2016 (Restated Note 3)
Financial Assets		
Cash	$ 3,261	$ 10,451
Accounts Receivable (Note 4)	12,687	19,928
Loans Receivable (Note 5)	2,155,514	1,723,349
	2,171,462	1,753,728
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	39,279	49,295
Net Financial Assets	2,132,183	1,704,433
Non-Financial Assets		
Tangible Capital Assets (Note 7)	23,346	24,372
Prepaid Expenses	348	322
	23,694	24,694
Net Assets	$ 2,155,877	$ 1,729,127
Net Assets		
Net Assets, Beginning of Year	$ 1,729,127	$ 1,336,485
Annual Deficit	(3,063,535)	(2,768,174)
Net Financing Provided from General Revenues	3,490,285	3,160,816
Net Assets, End of Year	$ 2,155,877	$ 1,729,127

Contingent Liabilities and Contractual Obligations (Notes 8 and 9)

The accompanying notes and schedules are part of these financial statements.

Statement of Change in Net Financial Assets

for the year ended March 31, 2017 *(in thousands)*

	2017		2016
	Budget	Actual	Actual (Restated Note 3)
Annual Deficit	$(3,117,002)	$(3,063,535)	$(2,768,174)
Acquisition of Tangible Capital Assets	(3,974)	(4,402)	(4,007)
Amortization of Tangible Capital Assets	6,700	5,428	6,000
Write-down of Tangible Capital Assets	—	—	53
Change in Prepaid Expenses	—	(26)	506
Net Financing Provided from General Revenue		3,490,285	3,160,816
Increase in Net Financial Assets		427,750	395,194
Net Financial Assets, Beginning of Year		1,704,433	1,309,239
Net Financial Assets, End of Year		$ 2,132,183	$ 1,704,433

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows

for the year ended March 31, 2017

(in thousands)

	2017	2016 (Restated Note 3)
Operating Transactions		
Annual Deficit	$(3,063,535)	$(2,768,174)
Non-Cash Items included in Net Operating Results		
Amortization of Tangible Capital Assets (Note 7)	5,428	6,000
Provision for Future Cost of Student Loans Issued	62,726	41,258
Student Loan Valuation Adjustments	(8,730)	(7,251)
Provision for Vacation Pay	153	114
Write-down of Tangible Capital Assets	—	53
	(3,003,958)	(2,728,000)
(Increase) / Decrease in Accounts Receivable	7,241	(4,610)
Decrease in Accounts Payable and Accrued Liabilities	(10,169)	(25,612)
(Increase) / Decrease in Prepaid Expenses	(26)	506
Cash Applied to Operating Transactions	(3,006,912)	(2,757,716)
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 7)	(4,402)	(4,007)
Cash Applied to Capital Transactions	(4,402)	(4,007)
Investing Transactions		
Loans Receivable		
Student Loan Disbursements	(645,385)	(534,889)
Student Loan Repayments	159,224	138,713
Cash Applied to Investing Transactions	(486,161)	(396,176)
Financing Transactions		
Net Financing Provided from General Revenues	3,490,285	3,160,816
Cash Provided by Financing Transactions	3,490,285	3,160,816
Increase / (Decrease) in Cash	(7,190)	2,917
Cash, Beginning of Year	10,451	7,534
Cash, End of Year	$ 3,261	$ 10,451

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

March 31, 2017

Note 1 Authority and Purpose

The Department of Advanced Education operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

Advanced Education strives to engage Albertans in learning to build a resilient economy and a thriving society.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Department of Advanced Education, which is part of the Ministry of Advanced Education and for which the Minister of Advanced Education is accountable. Other entities reporting to the Minister are the Access to the Future Fund and Public Post-Secondary Institutions. The activities of these organizations are not included in these financial statements. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenue

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year-end is recognized as unearned revenue.

Government Transfers

Transfers from the Government of Alberta (GoA), federal and other governments are referred to as government transfers.

Government transfers are recognized as deferred capital contributions and deferred revenue if the eligibility criteria of the transfer, or the stipulations together with the department's actions and communications as to the use of the transfers create a liability. These transfers are recognized as revenues, as the stipulations are met, and when applicable, the department complies with its communicated uses of these transfers.

All other government transfers, without terms for the use of the transfer, are recognized as revenue when the transfer is authorized and the department meets the eligibility criteria (if any).

Credit or Recovery

Credit or recovery initiatives provide a basis for authorizing spending. Credits or recoveries are shown in the details of the government estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual credit or recovery amounts exceed budget, the department may, with the approval of the Treasury Board Committee, use the excess to fund additional expenses of the program. Schedule 2 discloses information on the department's credit or recovery initiatives.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Department has primary responsibility and accountability for, as reflected in the government's budget documents.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets;
- pension costs, which are the cost of employer contributions for current service of employees during the year; and
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments represent the change in management's estimate of future payments arising from obligations relating to student loans and employee vacation pay.

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met and a reasonable estimate of the amounts can be made.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

Incurred by Others

Services contributed by other related entities in support of the department's operations are not recognized and are and are allocated to programs in Schedule 7.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments. The fair values of loans receivable are not reported as there is no organized financial market for all of the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair values with sufficient reliability.

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets of the department are limited to cash and financial claims, such as advances to and receivables from other organizations, employees, students and other individuals.

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Loans receivable are recognized at cost net of the allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

Liabilities

Liabilities are present obligations of a government to others arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits.

Non-Financial Assets

Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

(a) are normally employed to deliver government services;

(b) may be consumed in the normal course of operations; and

(c) are not for sale in the normal course of operations.

Non-financial assets of the department are limited to tangible capital assets and prepaid expenses.

Tangible Capital Assets

Tangible capital assets of the department are recognized at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $250,000 and the threshold for major systems enhancements is $100,000. The threshold for all other tangible capital assets is $5,000.

Amortization is only charged if the tangible capital asset is put into service.

Measurement Uncertainty *(in thousands)*

Measurement uncertainty exists when there is variance between the recognized or disclosed amount and another reasonably possible amount.

The areas subject to measurement uncertainty are student loans receivable of $2,155,514 (Note 5) which consists of:

- the allowance for impaired loans amounting to $227,253 (2016 - $174,813);
- the allowance for loan subsidy amounting to $32,106 (2016 - $33,071); and
- the allowance for repayment assistance amounting to $6,440 (2016 - $4,264).

The allowances are used to reflect loans receivable at the lower of cost and net recoverable value. Changes to the allowances are recorded in the statement of operations to the provision for the future cost of student loans issued.

In 2016-17, $62,726 was recorded as the provision for the future cost of student loans issued to reflect the change in the allowances.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

Measurement Uncertainty (continued) (in thousands)

The department has made certain estimates in the following areas:

- Recovery and default rates in the determination of the allowance for impaired loans;
- Blended student lending rate, the annual average provincial borrowing rate, the average repayment period, default rate, and repayment assistance rate in the determination of the allowance for loan subsidy; and
- Future loan amounts approved for repayment assistance and loan forgiveness rates in the determination of the allowance for repayment assistance.

The impact of changes in estimates would affect the total student loan provision as follows:

Impaired Loans – An increase or decrease of 0.25% to the default rate would increase the calculated provision for impaired loans by $5,710 (9.1%) and decrease impaired loans by $5,710 (9.1%) respectively;

Loan Subsidy – An increase or decrease of 0.25% in the provincial borrowing rate would increase the provision by $9,718 (15.5%) and decrease the provision by $9,626 (15.4%) respectively. An increase or decrease of 0.25% in the student lending rate would decrease the provision by $6,843 (10.9%) and increase the provision by $7,127 (11.4%) respectively;

Repayment Assistance – An increase or decrease of 1% in the repayment assistance amounts or loan forgiveness rate would have a minimal impact on the calculated provision.

As a final note, sensitivity analysis is based on assumptions which may not necessarily be linear. Although some of the other variables mentioned above were not applied in the calculations of the sensitivity, actual experience has shown that changes in one variable may amplify or suppress changes in another which would impact the overall result differently from the projected outcome.

Government Endowment Funds for Scholarships

The Alberta Heritage Scholarship Fund operates under the *Alberta Heritage Scholarship Act* for the purpose of investing the endowment fund to make income available for scholarships.

The Ministry of Treasury Board and Finance controls this endowment. However, the Department of Advanced Education has an economic interest in the endowment as it assists in funding department programs. Additional information on the endowment can be found in the financial statements for Alberta Treasury Board and Finance.

	Net Assets			
	2017		2016	
(in thousands)	Value at Cost	Fair Value	Value at Cost	Fair Value
Alberta Heritage Scholarship Fund	$ 1,205,282	$ 1,301,116	$ 1,107,922	$ 1,213,873

(c) Future Accounting Changes

The Public Sector Accounting Board issued these following accounting standards:

PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions (effective April 1, 2017)

PS 2200 defines a related party and establishes disclosures required for related party transactions. PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights (effective April 1, 2017)

PS 3210 provides guidance for applying the definition of assets set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000, and establishes general disclosure standards for assets. PS 3320 defines and establishes disclosure standards on contingent assets. PS 3380 defines and establishes disclosure standards on contractual rights.

PS 3430 Restructuring Transactions (effective April 1, 2018)

This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.

PS 3450 Financial Instruments (effective April 1, 2019)

Adoption of this standard requires corresponding adoption of: PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments. The department has not yet adopted this standard and has the option of adopting it in fiscal year 2019-20 or earlier.

Management is currently assessing the impact of these standards on the financial statements.

Note 3 Government Reorganization and Program Transfers

(in thousands)

Program Transfers

As of April 1, 2016, Health Workforce Action Plan funds were re-allocated from the Department of Labour to Alberta Health, Alberta Advanced Education and Alberta Community and Social Services.

To effectively support Albertans impacted by the current economic downturn, the department has worked collaboratively with the Department of Community and Social Services and the Department of Labour to realign the delivery of employment and training programs to provide a more consistent, efficient and user-friendly experience to Albertans, effective April 1, 2016 (O.C. 83/2016).

Comparatives for 2016 have been restated as if the department had always been assigned with its current responsibilities.

Net assets on April 1, 2015 are made up as follows:

Net Assets as previously reported	$ 1,335,888
Transfer from the Department of Community and Social Services	597
Transfer from the Department of Labour	—
Net Assets at April 1, 2015	$ 1,336,485

Net financial assets on April 1, 2015 are made up as follows:

Net Financial Assets as previously reported	$ 1,309,470
Transfer from the Department of Community and Social Services	(231)
Transfer from the Department of Labour	—
Net Financial Assets at April 1, 2015	$ 1,309,239

Note 4 Accounts Receivable

(in thousands)

	2017	2016 (Restated Note 3)
Government of Canada	$ 8,735	$ 15,943
Accrued Interest Receivable on Loans	2,132	1,675
Other	1,820	2,310
	$ 12,687	$ 19,928

Accounts receivable are unsecured and non-interest bearing.

Note 5 Loans Receivable

(in thousands)

	2017	2016
Loans Receivable	$ 2,421,313	$ 1,935,497
Less:		
Allowance for Impaired Loans	(227,253)	(174,813)
Allowance for Loan Subsidy	(32,106)	(33,071)
Allowance for Repayment Assistance	(6,440)	(4,264)
	$ 2,155,514	$ 1,723,349

Under the Alberta Student Aid Program, loans are provided by the department to qualifying students on terms prescribed by the Minister of Advanced Education.

Loans become payable and interest is earned starting six months after students discontinue their studies or graduate. Loans are unsecured and are repayable to a maximum term of 114 months. The interest rates on student loans are a floating rate of prime or a fixed rate of prime plus 2%.

Loans are classified as impaired when:

- there is no longer reasonable assurance as to the timely collection of the full amount of principal or interest; or
- the borrower has failed to make payments for a period of 150 days; or
- interest is owing to the Province for a period of 180 days.

When loans are classified as impaired, interest ceases to accrue.

Loans receivable are stated at cost net of the allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

The allowance for impaired loans is a provision that estimates the amount of loans receivable that will be impaired. The key assumptions used to determine this provision are default rates of 6.05% (2016 - 5.81%) and recovery rates of 29% (2016 - 30%).

The allowance for loan subsidy is a provision that reflects the future benefit provided to students. This benefit is a result of favorable loan terms where the department does not receive interest payments over the term of the loans to fully cover the department's cost of financing the loan portfolio. Changes in future year estimates are expensed and amortized on the allowance for loan subsidy over the estimated life of the student loan. The key assumptions used to determine this provision are a blended student lending rate of 3.20% (2016 - 3.49%), the annual average provincial borrowing rate of 2.45% (2016 - 2.50%), the average repayment period of 9 years (2016 - 9 years), default rate assumptions, and Repayment Assistance Plan rate assumptions.

The allowance for repayment assistance is a provision that estimates the amount of loans receivable that will be forgiven by the department through the repayment assistance program. The key assumptions used to determine this provision are the future loan amounts approved for repayment assistance and loan forgiveness rates of 8.50% (2016 - 7.40%).

Note 6 Accounts Payable and Accrued Liabilities

(in thousands)

	2017	2016 (Restated Note 3)
Accounts Payable	$ 1,366	$ 3,049
Unearned Revenue	504	522
Accrued Liabilities:		
Grants	24,451	22,129
Vacation	6,785	6,625
Other (1)	6,173	16,970
	$ 39,279	$ 49,295

(1) $123 (2016- $9,404) is represented by Payments Under Agreement (Note 11).

Note 7 Tangible Capital Assets

(in thousands)

	2017			2016
	Equipment (1)	Computer Hardware and Software	Total	Total
Estimated Useful Life	5-10 years	3-10 years		
Historical Cost (2)				
Beginning of Year	$ 226	$ 62,550	$ 62,776	$ 62,045
Additions	89	4,313	4,402	4,007
Disposals, including Write-downs	(6)	(443)	(449)	(3,276)
	309	66,420	66,729	62,776
Accumulated Amortization				
Beginning of Year	146	38,258	38,404	35,627
Amortization Expense	27	5,401	5,428	6,000
Effect of Disposals	(6)	(443)	(449)	(3,223)
	167	43,216	43,383	38,404
Net Book Value at March 31, 2017	$ 142	$ 23,204	$ 23,346	
Net Book Value at March 31, 2016	$ 80	$ 24,292		$ 24,372

(1) Equipment includes office equipment.

(2) Historical cost includes work-in-progress at March 31, 2017 totaling $11,733(2016 - $8,895) comprised of computer software development projects.

Note 8 Contingent Liabilities

The department is involved in legal matters where damages are being sought. These matters may give rise to contingent liabilities. The department has been named in one claim of which the outcome and amount is not determinable (2016 - one).

Note 9 Contractual Obligations

(in thousands)

Contractual obligations are obligations of the department to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2017	2016 (Restated Note 3)
Obligations under Contracts and Programs	$ 196,131	$ 213,830
Capital Grants	441,759	543,450
	$ 637,890	$ 757,280

Estimated payment requirements for each of the next five years and thereafter are as follows:

	Contracts and Programs	Capital Grants	Total
2017-18	$ 73,877	$ 355,908	$ 429,785
2018-19	29,730	63,151	92,881
2019-20	22,335	22,700	45,035
2020-21	17,285	—	17,285
2021-22	17,293	—	17,293
Thereafter	35,611	—	35,611
	$ 196,131	$ 441,759	$ 637,890

Note 10 Benefit Plans

(in thousands)

The department participates in the following multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $8,160 for the year ended March 31, 2017 (2016 - $8,290 restated). Departments are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2016, the Management Employees Pension Plan reported a surplus of $402,033 (2015 - surplus $299,051), the Public Service Pension Plan reported a surplus of $302,975 (2015 - deficiency $133,188) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of $50,020 (2015 - deficiency $16,305).

The department also participates in two multi-employer Long-term Disability Income Continuance Plans. At March 31, 2017, the Bargaining Unit Plan reported a surplus of $101,515 (2016 - surplus $83,006) and the Management, Opted Out and Excluded Plan a surplus of $31,439 (2016 - surplus $29,246). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 11 Payments Under Agreement

(in thousands)

The department has entered into agreements to deliver programs that are fully funded by the Government of Canada. Costs under these agreements are incurred by the department under authority of section 25 of the *Financial Administration Act*. Accounts Payable includes $123 (2016 - $9,404 Accounts Payable) relating to payments under agreement.

Effective for study periods starting August 1, 2016, federal grants to students will be issued directly from the National Student Loan Service Centre. A payable to the federal government exists as a result of collections on federal grant overpayments.

Government of Canada

Net amounts paid and (payable) under agreements on behalf of the Government of Canada:

	2017	2016
Canadian Millennium Scholarship Foundation		
Canadian Millennium Scholarships	$ (5)	$ (4)
Government of Canada		
Canada Study Grants	(3)	(6)
Canada Student Grants	(115)	8,637
	$ (123)	$ 8,627

Note 12 Comparative Figures

Certain 2016 figures have been reclassified to conform to the 2017 presentation.

Note 13 Approval of Financial Statements

The deputy minister and the senior financial officer approve these financial statements.

Schedules to the Financial Statements

for the year ended March 31, 2017

Schedule 1 Revenues

for the year ended March 31, 2017

(in thousands)

	2017 Budget	2017 Actual	2016 Actual (Restated Note 3)
Government Transfers			
Government of Alberta Grants			
Alberta Heritage Scholarship Fund	$ 46,699	$ 50,805	$ 49,011
Government of Canada Grants			
Strategic Investment Fund	—	84,452	—
Labour Market Development	77,491	82,991	76,906
Other Federal Grants	7,476	8,312	8,248
	84,967	175,755	85,154
	131,666	226,560	134,165
Investment Income			
Interest on Student Loans Issued	18,200	22,352	19,492
Premiums, Fees and Licences			
Apprenticeship Services	5,500	4,392	5,174
Fees and Licences	2,455	2,332	2,826
	7,955	6,724	8,000
Other Revenue			
Refunds of Expense	1,400	4,068	7,334
Other Revenue	2,025	1,221	1,209
	3,425	5,289	8,543
	$ 161,246	$ 260,925	$ 170,200

Schedule 2 Credit or Recovery

for the year ended March 31, 2017

(in thousands)

	2017				
	Authorized	Actual Revenue Recognized	Deferred Revenue	Actual Revenue Received/ Receivable	(Shortfall) / Excess
Information and Technology Management Services (1)	$ 2,025	$ 1,180	$ —	$ 1,180	$ (845)
Canada Student Loan Administration (2)	3,000	4,074	—	4,074	1,074
Apprenticeship Services (3)	5,500	4,392	504	4,896	(604)
Foreign Qualification Recognition (4)	176	196	—	196	20
French Language Program (5)	4,300	4,042	—	4,042	(258)
	$ 15,001	$ 13,884	$ 504	$ 14,388	$ (613)

This schedule is required by Section 24(3) of the *Financial Administration Act*.

The revenue of each credit or recovery is included in the Department's revenue. The shortfall is deducted from current year's authorized spending as disclosed in Schedule 4 to the financial statements.

(1) Revenue is collected from the provision of certain information and technology management services to stakeholders on a cost-recovery basis. Element 1.4 - Schedule 4.

(2) Funding is received from the federal government to administer Canada student loans and grants to Alberta students on a cost-recovery basis. Element 4.1 - Schedule 4.

(3) Fees are collected for the provision of registration and assessment services to individuals seeking certification in designated trades and occupations. Consulting services are also provided on a cost-recovery basis to other countries and jurisdictions. Finally, apprenticeship technical training spaces in Alberta institutions are provided on a cost-recovery basis to the Yukon, Northwest Territories and Nunavut. Program 3 - Schedule 4.

(4) Funding is received from the federal government to develop consistent assessment and recognition processes and standards, improved information tools and communication materials to facilitate the recognition of internationally trained tradespeople. Alberta is leading this work on behalf of all Canadian Apprenticeship Authorities. Program 3 - Schedule 4.

(5) Funding is received from the federal government to support French minority language and second language education programs provided by post-secondary institutions and fellowships for individuals in full-time studies in French. Elements 2.2 and 4.2 - Schedule 4.

Schedule 3 Expenses – Directly Incurred Detailed by Object

for the year ended March 31, 2017

(in thousands)

	2017		2016
	Budget	Actual	Actual (Restated Note 3)
Salaries, Wages and Employee Benefits	$ 69,527	$ 67,226	$ 64,703
Supplies and Services	63,119	63,401	64,184
Supplies and Services from Support Service Arrangements with Related Parties (1)	—	125	125
Grants	3,079,145	3,126,616	2,763,705
Amortization of Tangible Capital Assets	6,700	5,428	6,000
Total Expenses before Recoveries	3,218,491	3,262,796	2,898,717
Less Recovery from Support Service Arrangements with Related Parties (2)	(107)	(1,305)	(1,820)
Provision for Future Cost of Student Loans Issued	59,800	62,726	41,258
Other Expenditures	64	243	219
	$ 3,278,248	$ 3,324,460	$ 2,938,374

(1) The department receives Freedom of Information and Privacy services from the Department of Community and Social Services.

(2) The department provides information technology and legislative services to the Department of Economic Development and Trade. Information technology and emergency management services are also provided to the Department of Labour. Costs for these services are recovered from these departments.

Schedule 4 *Lapse/Encumbrance*

for the year ended March 31, 2017 *(in thousands)*

		Voted Estimate (1)	Supplementary Estimate (2)	Adjustments (3)	Adjusted Voted Estimate	Voted Actuals (4)	Unexpended (Overexpended)
Program - Operating Expense							
1	**Ministry Support Services**						
1.1	Minister's Office	$ 752	$ —	$ —	$ 752	$ 728	$ 24
1.2	Deputy Minister's Office	664	—	—	664	646	18
1.3	Communications	1,421	—	—	1,421	1,427	(6)
1.4	Strategic and Corporate Services	24,348	—	—	24,348	22,289	2,059
1.5	Human Resources	2,004	—	—	2,004	2,361	(357)
		29,189	—	—	29,189	27,451	1,738
2	**Support for Adult Learning**						
2.1	Program Delivery Support	12,921	—	—	12,921	12,420	501
2.2	Operating Support for Post-Secondary Institutions	2,323,777	—	—	2,323,777	2,292,845	30,932
2.3	Academic Health Centres	21,000	—	—	21,000	21,000	—
2.4	Campus Alberta Innovations	33,478	—	—	33,478	32,435	1,043
2.5	Inter-Jurisdiction Programs	9,815	—	—	9,815	9,218	597
2.6	Community Education	22,672	—	—	22,672	22,952	(280)
2.7	Adult Learning System Initiatives	27,778	—	—	27,778	17,264	10,514
		2,451,441	—	—	2,451,441	2,408,134	43,307
3	**Apprenticeship Delivery**	43,068	—	(4,900)	38,168	41,648	(3,480)
		43,068	—	(4,900)	38,168	41,648	(3,480)
4	**Student Aid**						
4.1	Program Delivery Support	33,223	—	—	33,223	34,287	(1,064)
4.2	Scholarships and Awards	43,700	—	2,500	46,200	44,843	1,357
4.3	Grants and Bursaries	53,621	—	(2,500)	51,121	50,543	578
		130,544	—	—	130,544	129,673	871
5	**Foundational Learning Supports**						
5.1	Program Delivery Support	3,947	—	—	3,947	3,990	(43)
5.2	Foundational Learning Programs	72,241	—	5,500	77,741	74,786	2,955
		76,188	—	5,500	81,688	78,776	2,912
Credit or Recovery (Shortfall) (Schedule 2)		—	—	(613)	(613)	—	(613)
Total		$ 2,730,430	$ —	$ (13)	$ 2,730,417	$ 2,685,682	$ 44,735
Lapse / (Encumbrance)							$ 44,735

This schedule is required by Section 24(4) of the *Financial Administration Act*.

(1) As per "Expense Vote by Program", "Capital Investment Vote by Program" and "Financial Transaction Vote by Program" page of 2016-17 Government Estimates.

(2) Supplementary Estimates were approved on March 30, 2017.

(3) Adjustments include encumbrances, capital carry forward amounts and credit or recovery increases approved by Treasury Board and credit or recovery shortfalls. An encumbrance is incurred when, on a vote by vote basis, the total of actual disbursements in the prior year exceed the total adjusted estimate. All calculated encumbrances from the prior year are reflected as an adjustment to reduce the corresponding voted estimate in the current year.

(4) Actuals exclude non-voted amounts such as amortization and valuation adjustments.

Schedule 4 *Lapse/Encumbrance (continued)*

for the year ended March 31, 2017

(in thousands)

	Voted Estimate (1)	Supplementary Estimate (2)	Adjustments (3)	Adjusted Voted Estimate	Voted Actuals (4)	Unexpended (Overexpended)
Capital Investment						
1 Ministry Support Services						
1.4 Strategic and Corporate Services	$ 1,015	$ —	$ —	$ 1,015	$ 558	$ 457
2 Support for Adult Learning						
2.7 Adult Learning System Initiatives	—	—	—	—	349	(349)
3 Apprenticeship Delivery	660	—	4,900	5,560	2,913	2,647
4 Student Aid						
4.1 Program Delivery Support	2,299	—	—	2,299	582	1,717
	3,974	—	4,900	8,874	4,402	4,472
Capital Payments to Related Parties						
6 Post-Secondary Infrastructure						
6.1 Capital Expansion and Upgrading	333,614	—	—	333,614	333,614	—
6.2 Capital Maintenance and Renewal	101,000	760	—	101,760	101,600	160
Subtotal	434,614	760	—	435,374	435,214	160
Total Capital	$ 438,588	$ 760	$ 4,900	$ 444,248	$ 439,616	$ 4,632
Lapse / (Encumbrance)						$ 4,632
Financial Transactions						
4 Student Aid						
4.4 Student Loan Disbursements	$ 579,000	$ 121,000	$ —	$ 700,000	$ 654,503	$ 45,497
Total	$ 579,000	$ 121,000	$ —	$ 700,000	$ 654,503	$ 45,497
Lapse / (Encumbrance)						$ 45,497

This schedule is required by Section 24(4) of the *Financial Administration Act*.

(1) As per "Expense Vote by Program", "Capital Investment Vote by Program" and "Financial Transaction Vote by Program" page of 2016-17 Government Estimates.

(2) Supplementary Estimates were approved on March 30, 2017.

(3) Adjustments include encumbrances, capital carry forward amounts and credit or recovery increases approved by Treasury Board and credit or recovery shortfalls. An encumbrance is incurred when, on a vote by vote basis, the total of actual disbursements in the prior year exceed the total adjusted estimate. All calculated encumbrances from the prior year are reflected as an adjustment to reduce the corresponding voted estimate in the current year.

(4) Actuals exclude non-voted amounts such as amortization and valuation adjustments.

Schedule 5 Salary and Benefits Disclosure

for the year ended March 31, 2017

(in thousands)

	2017				2016
	Base Salary (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)	Total	Total
Deputy Minister (4)	$ 287	$ —	$ 73	$ 360	$ 358
Executives:					
ADM, Advanced Learning and Community Partnerships	201	—	52	253	255
ADM, Apprenticeship and Student Aid	198	—	51	249	163
ADM, Strategic and Corporate Services	193	—	50	243	228
Executive Director, Senior Financial Officer (5)	118	—	34	152	197
Executive Director, Human Resources	165	32	43	240	253
Executive Director, Chief Information Officer	147	—	39	186	184
Director, Communications	120	3	32	155	148

(1) Base salary includes regular base salary and earnings such as acting pay.

(2) Other cash benefits include vacation payout and management special services compensation due to the 2016 Fort McMurray wildfire. There was no severance paid in 2017.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, health spending account, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in other non-cash benefits.

(5) The position was vacant on May 27, 2016 and filled on September 6, 2016.

Schedule 6 Related Party Transactions

for the year ended March 31, 2017 *(in thousands)*

Related parties are those entities consolidated or accounted for on a modified equity basis in the Government of Alberta's financial statements. Related parties also include key management personnel in the department.

The department and its employees paid or collected certain taxes and fees set by regulation for premiums, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The department also had transactions with related parties which are recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2017	2016 (Restated Note 3)	2017	2016 (Restated Note 3)
Revenues				
Grants	$ —	$ —	$ 50,805	$ 49,011
Other	3,040	421	—	161
	$ 3,040	$ 421	$ 50,805	$ 49,172
Expenses – Directly Incurred				
Grants	$ 2,866,116	$ 2,489,169	$ 3,486	$ 3,692
Other Services	2,143	2,833	7,004	6,784
	$ 2,868,259	$ 2,492,002	$ 10,490	$ 10,476
Receivables from	$ 597	$ 445	$ —	$ —
Payables to	$ 15,131	$ 11,838	$ —	$ 155
Contractual Obligations	$ 566,019	$ 693,281	$ —	$ —

The above transactions do not include support service arrangement transactions disclosed in Schedule 3.

The Department also had transactions with related parties for which no consideration was exchanged. These amounts are not reported in the financial statements. Expenses are included in Schedule 7.

Schedule 7 Allocated Costs

for the year ended March 31, 2017 *(in thousands)*

	2017					2016
		Expenses – Incurred by Others				
	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Business Services (4)	Total Expenses	Total Expenses (Restated Note 3)
Program						
Ministry Support Services	$ 28,124	$ 1,706	$ 315	$ 3,778	$ 33,923	$ 39,683
Support for Adult Learning	2,409,294	1,197	193	—	2,410,684	2,351,894
Apprenticeship Delivery	42,880	2,826	77	—	45,783	49,247
Student Aid	245,720	1,413	79	—	247,212	211,380
Foundational Learning Supports	78,776	573	—	—	79,349	72,318
Post-Secondary Infrastructure	519,666	—	—	—	519,666	213,038
Alberta Centennial Education Savings Plan	—	—	—	—	—	13,533
	$ 3,324,460	$ 7,715	$ 664	$ 3,778	$ 3,336,617	$ 2,951,093

(1) Expenses – Directly Incurred as per Statement of Operations.

(2) Accommodation Costs, including grants in lieu of taxes, allocated by square footage.

(3) Legal Services allocated by estimated costs incurred by each program.

(4) Business Services Costs, including charges for IT support, vehicles, internal audit services and other services, allocated by costs in certain programs.

Access to the Future Fund
Financial Statements

March 31, 2017 *Audited Information*

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AUDITOR GENERAL
Alberta

Independent Auditor's Report

To the Minister of Advanced Education

Report on the Financial Statements

I have audited the accompanying financial statements of the Access to the Future Fund, which comprise the statement of financial position as at March 31, 2017, and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Access to the Future Fund as at March 31, 2017, and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher FCPA, FCA]
Auditor General

June 1, 2017
Edmonton, Alberta

Statement of Operations

for the year ended March 31, 2017 *(in thousands)*

	2017 Budget	2017 Actual	2016 Actual
Revenues			
Investment Income	$ 400	$ 507	$ 559
	400	507	559
Expenses (Note 2(a))			
Post-Secondary Infrastructure	10,000	10,000	10,000
	10,000	10,000	10,000
Annual Deficit	$ (9,600)	$ (9,493)	$ (9,441)

The accompanying notes are part of these financial statements.

Statement of Financial Position

as at March 31, 2017 *(in thousands)*

	2017	2016
Financial Assets		
Cash (Note 4)	$ 56,397	$ 65,890
Net Financial Assets	56,397	65,890
Net Assets	$ 56,397	$ 65,890
Net Assets		
Net Assets, Beginning of Year	$ 65,890	$ 75,331
Annual Deficit	(9,493)	(9,441)
Net Assets, End of Year	$ 56,397	$ 65,890

The accompanying notes are part of these financial statements.

Statement of Change in Net Financial Assets

for the year ended March 31, 2017 *(in thousands)*

	2017 Budget	2017 Actual	2016 Actual
Annual Deficit	$ (9,600)	$ (9,493)	$ (9,441)
Decrease in Net Financial Assets		(9,493)	(9,441)
Net Financial Assets, Beginning of Year		65,890	75,331
Net Financial Assets, End of Year		$ 56,397	$ 65,890

The accompanying notes are part of these financial statements.

Statement of Cash Flows

for the year ended March 31, 2017

(in thousands)

	2017	2016
Operating Transactions		
Annual Deficit	$ (9,493)	$ (9,441)
Decrease in Accounts Payable	—	(5,959)
Cash Applied to Operating Transactions	(9,493)	(15,400)
Decrease in Cash	(9,493)	(15,400)
Cash, Beginning of Year	65,890	81,290
Cash, End of Year	$ 56,397	$ 65,890

The accompanying notes are part of these financial statements.

Notes to the Financial Statements

March 31, 2017

Note 1 Authority and Purpose

The Access to the Future Fund (the Fund) operates under the authority of the *Access to the Future Act*.

Generally, the purpose of the Fund is to support innovation and excellence by enhancing and expanding opportunities for Albertans to participate in accessible, affordable and high-quality advanced education opportunities.

During the year, a final capital grant of $10 million was issued to MacEwan University for the MacEwan Centre for the Arts and Culture. In 2017-18, payments from the Fund are suspended.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Basis of Financial Reporting

Revenue

All revenues are reported on the accrual basis of accounting.

Government Transfers

Transfers from the Government of Alberta (GoA) are referred to as government transfers.

Government transfers are recognized as deferred capital contributions and deferred revenue if eligibility criteria of the transfer, or the stipulations together with the Fund's actions and communications as to the use of the transfer create a liability. These transfers are recognized as revenue, as the stipulations are met and, when applicable, the Fund complies with its communicated uses of these transfers.

All other government transfers, without terms for the use of the transfer, are recognized as revenue when the transfer is authorized and the Fund meets the eligibility criteria (if any).

Expenses

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met.

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets of the Fund are limited to cash transferred or interest receivable from the General Revenue Fund of the Province of Alberta.

Liabilities

Liabilities are present obligations of the Fund to other organizations arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits.

(b) Future Accounting Changes

The Public Sector Accounting Board issued these following accounting standards:

PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions (effective April 1, 2017)

PS 2200 defines a related party and establishes disclosures required for related party transactions. PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights (effective April 1, 2017)

PS 3210 provides guidance for applying the definition of assets set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000, and establishes general disclosure standards for assets. PS 3320 defines and establishes disclosure standards on contingent assets. PS 3380 defines and establishes disclosure standards on contractual rights.

PS 3430 Restructuring Transactions (effective April 1, 2018)

This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

PS 3450 Financial Instruments (effective April 1, 2019)

Adoption of this standard requires corresponding adoption of: PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments. The Fund has not yet adopted this standard and has the option of adopting it in fiscal year 2019-20 or earlier.

Management is currently assessing the impact of these standards on the financial statements.

Note 3 Advanced Education Endowment

The Advanced Education Endowment (the Endowment) is a notional account within the Alberta Heritage Savings Trust Fund (AHSTF) that was established by the *Access to the Future Act*. The notional balance provided below is used as a base to which a rate is applied to determine future cash transfers to the Access to the Future Fund.

(in thousands)	2017	2016
Opening Balance	$ 1,318,284	$ 1,259,467
Rate of Return Adjustment	141,188	58,817
Closing Balance	$ 1,459,472	$ 1,318,284

A maximum of $3 billion can be allocated to the Endowment from within the AHSTF of which $750 million has been allocated in 2005-06 and $250 million in 2006-07. The balance in the Endowment is adjusted for (a) the rate of return reported by the AHSTF for the year and (b) transfers to the Access to the Future Fund.

Maximum transfers to the Access to the Future Fund are calculated as 4.5% of the average of the closing balances of the Endowment for the preceding three fiscal years. Effective in fiscal year 2015-16, transfers to the Access to the Future Fund are made from the General Revenue Fund (Sec 4(7) of the *Access to the Future Act*). No transfers were made to the Access to the Future Fund in 2015-16, 2016-17 and no transfers are budgeted in 2017-18.

Note 4 Cash

Cash is deposited in the government's Consolidated Cash Investment Trust Fund which is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2017, securities held by the Fund have a time-weighted rate of return of 0.9% per annum (2016 - 0.8% per annum).

Note 5 Related Party Transactions

Related parties are those entities consolidated or accounted for on a modified equity basis in the Government of Alberta's financial statements.

The Fund had the following transactions with related parties reported on the Statement of Operations at the amount of consideration agreed upon between the related parties. A final capital grant of $10 million was issued to MacEwan University for the MacEwan Centre for the Arts and Culture.

	Entities in the Ministry	
(in thousands)	2017	2016
Expenses – Directly Incurred		
Grants	$ 10,000	$ 10,000

The Fund has no employees and receives administration support from the Department of Advanced Education at no cost.

Note 6 Approval of Financial Statements

The deputy minister and the senior financial officer approve these financial statements.

Summary Subsidiary Financial Statements

Unaudited Information

Public Post-Secondary Institutions

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Comprehensive Community Institutions 106

Specialized Arts and Culture Institutions 110

Comprehensive Academic and Research Institutions Summary Financial Statements (1)

for March 31, 2017

(in thousands)

	University of Alberta	University of Calgary	University of Lethbridge	Athabasca University	2017 Totals	2016 Totals (Restated)
Statement of Financial Position						
Financial Assets						
Cash and Cash Equivalents	$ 18,768	$ 46,463	$ 104,752	$ 5,255	$ 175,238	$ 105,817
Portfolio Investments - Non-Endowments	849,115	994,376	128,292	37,382	2,009,165	1,948,708
Portfolio Investments - Restricted for Endowments	1,304,254	888,099	64,918	3,839	2,261,110	1,982,280
Investment in Government Business Enterprises	—	(7,294)	—	—	(7,294)	(3,625)
Accounts Receivable	143,216	76,348	5,999	2,342	227,905	210,011
Inventories for Resale	2,642	6,340	809	1,355	11,146	11,487
	2,317,995	2,004,332	304,770	50,173	4,677,270	4,254,678
Liabilities						
Accounts Payable and Accrued Liabilities	179,148	147,621	20,104	9,713	356,586	342,613
Employee Future Benefit Liabilities	251,060	127,507	42,591	19,856	441,014	458,665
Debt	250,562	236,834	8,389	—	495,785	510,635
Deferred Revenue	459,071	521,212	31,373	23,857	1,035,513	1,026,360
Unspent Deferred Capital Contributions	101,349	32,926	86,700	—	220,975	89,324
	1,241,190	1,066,100	189,157	53,426	2,549,873	2,427,597
Net Financial Assets (Net Debt)	$ 1,076,805	$ 938,232	$ 115,613	$ (3,253)	$ 2,127,397	$ 1,827,081
Non-Financial Assets						
Tangible Capital Assets	$ 2,710,920	$ 1,810,250	$ 350,005	$ 52,710	$ 4,923,885	$ 4,900,934
Inventories of Supplies	—	—	52	—	52	72
Prepaid Expenses	7,199	19,007	885	1,474	28,565	33,206
	2,718,119	1,829,257	350,942	54,184	4,952,502	4,934,212
Net Assets before Spent Deferred Capital Contributions	3,794,924	2,767,489	466,555	50,931	7,079,899	6,761,293
Spent Deferred Capital Contributions	1,921,756	1,278,038	241,152	40,315	3,481,261	3,489,499
Net Assets	$ 1,873,168	$ 1,489,451	$ 225,403	$ 10,616	$ 3,598,638	$ 3,271,794
Net Assets						
Accumulated Surplus	$ 1,623,869	$ 1,347,173	$ 208,380	$ 10,190	$ 3,189,612	$ 3,025,365
Accumulated Remeasurement Gains and Losses	249,299	142,278	17,023	426	409,026	246,429
	$ 1,873,168	$ 1,489,451	$ 225,403	$ 10,616	$ 3,598,638	$ 3,271,794

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

Comprehensive Academic and Research Institutions (continued)

Summary Financial Statements (1)

for March 31, 2017

(in thousands)

	University of Alberta	University of Calgary	University of Lethbridge	Athabasca University	2017 Totals	2016 Totals
Statement of Operations						
Revenue	$ 1,867,971	$ 1,318,134	$ 206,215	$ 137,432	$ 3,529,752	$ 3,474,781
Expenses	1,842,894	1,313,789	205,660	133,836	3,496,179	3,416,889
Endowment Contributions and Capitalized Investment Income	58,273	69,540	2,709	152	130,674	68,168
Annual Surplus	$ 83,350	$ 73,885	$ 3,264	$ 3,748	$ 164,247	$ 126,060
Statement of Cash Flows						
Cash and Cash Equivalents, Beginning of Year	$ 13,091	$ 63,464	$ 26,533	$ 2,729	$ 105,817	$ 298,331
Cash Provided by Operating Transactions	174,582	167,403	149,795	7,739	499,519	256,158
Cash Applied to Organizational Activities	(168,905)	(184,404)	(71,576)	(5,213)	(430,098)	(448,672)
Cash and Cash Equivalents, End of Year	$ 18,768	$ 46,463	$ 104,752	$ 5,255	$ 175,238	$ 105,817
Statement of Changes in Net Financial Assets (Net Debt)						
Annual Surplus	$ 83,350	$ 73,885	$ 3,264	$ 3,748	$ 164,247	$ 126,060
Changes to Accounts Relating to Non-Financial Assets	77,759	40,645	15,648	2,017	136,069	(248,919)
Increase (Decrease) in Net Financial Assets (Net Debt) in the Year	161,109	114,530	18,912	5,765	300,316	(122,859)
Net Financial Assets (Net Debt), Beginning of Year	915,696	823,702	96,701	(9,018)	1,827,081	1,949,940
Net Financial Assets (Net Debt), End of Year	$ 1,076,805	$ 938,232	$ 115,613	$ (3,253)	$ 2,127,397	$ 1,827,081
Salary and Benefits of President Positions						
Base Salary	$ 500	$ 480	$ 440	$ 371		
Other Cash Benefits (2)	95	116	30	32		
Non-Cash Benefits (3)	229	301	288	110		
	$ 824	$ 897	$ 758	$ 513		

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Baccalaureate and Applied Studies Institutions

Summary Financial Statements

for June 30, 2016

(in thousands)

	MacEwan University	Mount Royal University	2016 Totals	2015 Totals (Restated)
Statement of Financial Position				
Financial Assets				
Cash and Cash Equivalents	$ 69,433	$ 27,319	$ 96,752	$ 107,720
Portfolio Investments - Non-Endowments	55,175	76,561	131,736	135,592
Portfolio Investments - Restricted for Endowments	59,893	56,721	116,614	118,037
Accounts Receivable	6,054	16,659	22,713	18,892
Inventories for Resale	14,554	551	15,105	15,091
	205,109	177,811	382,920	395,332
Liabilities				
Accounts Payable and Accrued Liabilities	54,738	28,863	83,601	76,956
Employee Future Benefit Liabilities	6,457	3,817	10,274	9,570
Debt	83,883	63,521	147,404	107,253
Deferred Revenue	36,883	28,636	65,519	71,728
Unspent Deferred Capital Contributions	7,391	21,933	29,324	39,014
	189,352	146,770	336,122	304,521
Net Financial Assets	$ 15,757	$ 31,041	$ 46,798	$ 90,811
Non-Financial Assets				
Tangible Capital Assets	$ 368,034	$ 335,867	$ 703,901	$ 596,945
Inventories of Supplies	—	49	49	36
Prepaid Expenses	5,479	—	5,479	5,469
	373,513	335,916	709,429	602,450
Net Assets before Spent Deferred Capital Contributions	389,270	366,957	756,227	693,261
Spent Deferred Capital Contributions	148,705	248,298	397,003	358,214
Net Assets	$ 240,565	$ 118,659	$ 359,224	$ 335,047
Net Assets is comprised of:				
Accumulated Surplus	$ 231,010	$ 110,977	$ 341,987	$ 316,500
Accumulated Remeasurement Gains and Losses	9,555	7,682	17,237	18,547
	$ 240,565	$ 118,659	$ 359,224	$ 335,047

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

Baccalaureate and Applied Studies Institutions (continued)

Summary Financial Statements (1)

for June 30, 2016

(in thousands)

	MacEwan University	Mount Royal University	2016 Totals	2015 Totals (Restated)
Statement of Operations				
Revenue	$ 237,128	$ 230,959	$ 468,087	$ 445,001
Expenses	218,520	226,124	444,644	434,525
Endowment Contributions and Capitalized Investment Income	452	1,592	2,044	8,295
Annual Surplus	$ 19,060	$ 6,427	$ 25,487	$ 18,771
Statement of Cash Flows				
Cash and Cash Equivalents, Beginning of Year	$ 55,870	$ 51,850	$ 107,720	$ 63,708
Cash Provided by Operating Transactions	21,973	31,127	53,100	83,681
Cash Applied to Organizational Activities	(8,410)	(55,658)	(64,068)	(39,669)
Cash and Cash Equivalents, End of Year	$ 69,433	$ 27,319	$ 96,752	$ 107,720
Statement of Changes in Net Financial Assets				
Annual Surplus	$ 19,060	$ 6,427	$ 25,487	$ 18,771
Changes to Accounts Relating to Non-Financial Assets	(70,335)	835	(69,500)	(3,715)
Increase (Decrease) in Net Financial Assets in the Year	(51,275)	7,262	(44,013)	15,056
Net Financial Assets, Beginning of Year	67,032	23,779	90,811	75,755
Net Financial Assets, End of Year	$ 15,757	$ 31,041	$ 46,798	$ 90,811
Salary and Benefits of President Positions				
Base Salary	$ 321	$ 252		
Other Cash Benefits (2)	13	73		
Non-Cash Benefits (3)	380	101		
	$ 714	$ 426		

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Polytechnical Institutions

Summary Financial Statements (1)

for June 30, 2016 *(in thousands)*

	Northern Alberta Institute of Technology	Southern Alberta Institute of Technology	2016 Totals	2015 Totals (Restated)
Statement of Financial Position				
Financial Assets				
Cash and Cash Equivalents	$ 15,854	$ 148,112	$ 163,966	$ 152,422
Portfolio Investments - Non-Endowments	331,415	35,189	366,604	430,758
Portfolio Investments - Restricted for Endowments	49,961	40,369	90,330	84,157
Investment in Government Business Enterprises	—	1,452	1,452	999
Accounts Receivable	7,497	9,694	17,191	17,903
Inventories for Resale	4,081	2,909	6,990	5,422
	408,808	237,725	646,533	691,661
Liabilities				
Accounts Payable and Accrued Liabilities	44,196	48,480	92,676	95,479
Employee Future Benefit Liabilities	27,704	9,152	36,856	35,886
Debt	171,645	136,749	308,394	313,076
Deferred Revenue	16,711	39,754	56,465	59,003
Unspent Deferred Capital Contributions	43,271	7,522	50,793	57,774
Liability for Contaminated Sites	—	—	—	315
	303,527	241,657	545,184	561,533
Net Financial Assets (Net Debt)	$ 105,281	$ (3,932)	$ 101,349	$ 130,128
Non-Financial Assets				
Tangible Capital Assets	$ 467,674	$ 718,245	$ 1,185,919	$ 1,125,678
Inventories of Supplies	570	—	570	610
Prepaid Expenses	3,759	1,794	5,553	6,350
	472,003	720,039	1,192,042	1,132,638
Net Assets before Spent Deferred Capital Contributions	577,284	716,107	1,293,391	1,262,766
Spent Deferred Capital Contributions	290,440	447,183	737,623	723,498
Net Assets	$ 286,844	$ 268,924	$ 555,768	$ 539,268
Net Assets is comprised of:				
Accumulated Surplus	$ 278,832	$ 264,579	$ 543,411	$ 524,484
Accumulated Remeasurement Gains and Losses	8,012	4,345	12,357	14,784
	$ 286,844	$ 268,924	$ 555,768	$ 539,268

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

Polytechnical Institutions (continued)

Summary Financial Statements (1)

for June 30, 2016

(in thousands)

	Northern Alberta Institute of Technology	Southern Alberta Institute of Technology	2016 Totals	2015 Totals (Restated)
Statement of Operations				
Revenue	$ 357,945	$ 353,139	$ 711,084	$ 706,658
Expenses	352,316	344,436	696,752	678,939
Endowment Contributions and Capitalized Investment Income	1,166	3,429	4,595	6,354
Annual Surplus	$ 6,795	$ 12,132	$ 18,927	$ 34,073
Statement of Cash Flows				
Cash and Cash Equivalents, Beginning of Year	$ 7,591	$ 144,831	$ 152,422	$ 198,945
Cash Provided by Operating Transactions	48,419	36,383	84,802	132,561
Cash Applied to Organizational Activities	(40,156)	(33,102)	(73,258)	(179,087)
Cash and Cash Equivalents, End of Year	$ 15,854	$ 148,112	$ 163,966	$ 152,422
Statement of Changes in Net Financial Assets (Net Debt)				
Annual Surplus	$ 6,795	$ 12,132	$ 18,927	$ 34,073
Changes to Accounts Relating to Non-Financial Assets	(50,219)	2,513	(47,706)	(9,179)
Increase (Decrease) in Net Financial Assets (Net Debt) in the Year	(43,424)	14,645	(28,779)	24,894
Net Financial Assets (Net Debt), Beginning of Year	148,705	(18,577)	130,128	105,234
Net Financial Assets (Net Debt), End of Year	$ 105,281	$ (3,932)	$ 101,349	$ 130,128
Salary and Benefits of President Positions				
Base Salary	$ 378	$ 352		
Other Cash Benefits (2)	117	118		
Non-Cash Benefits (3)	195	157		
	$ 690	$ 627		

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Comprehensive Community Institutions Summary Financial Statements

for June 30, 2016

(in thousands)

	Bow Valley College	Grande Prairie Regional College	Keyano College	Lakeland College	Lethbridge College	Medicine Hat College	NorQuest College
Statement of Financial Position							
Financial Assets							
Cash and Cash Equivalents	$ 27,512	$ 1,712	$ 7,579	$ 4,661	$ 36,608	$ 2,621	$ 26,473
Portfolio Investments - Non-Endowments	60,297	24,723	10,968	26,484	28,712	19,175	30,000
Portfolio Investments - Restricted for Endowments	4,220	6,061	4,551	9,075	12,886	8,597	4,400
Investment in Government Business Enterprises	—	—	14,177	—	—	—	—
Accounts Receivable	3,452	1,207	3,333	2,574	1,629	958	3,070
Inventories for Resale	59	268	344	289	534	414	295
	95,540	33,971	40,952	43,083	80,369	31,766	64,238
Liabilities							
Accounts Payable and Accrued Liabilities	6,759	5,422	10,909	6,577	12,571	3,475	18,455
Employee Future Benefit Liabilities	922	994	—	—	—	282	1,992
Debt	56	14,629	21,852	1,320	8,076	2,495	—
Deferred Revenue	10,641	6,923	11,924	8,650	17,303	3,047	9,513
Unspent Deferred Capital Contributions	2,280	1,774	2,454	1,430	12,363	2,143	9,523
Liability for Contaminated Sites	—	—	—	94	—	—	—
	20,658	29,742	47,139	18,071	50,313	11,442	39,483
Net Financial Assets (Net Debt)	$ 74,882	$ 4,229	$ (6,187)	$ 25,012	$ 30,056	$ 20,323	$ 24,755
Non-Financial Assets							
Tangible Capital Assets	$ 286,668	$ 69,607	$ 115,832	$ 81,804	$ 107,521	$ 76,151	$ 90,330
Inventories of Supplies	—	42	—	1,084	17	—	—
Prepaid Expenses	1,079	819	234	1,789	1,523	671	405
	287,747	70,468	116,066	84,677	109,061	76,822	90,735
Net Assets before Spent Deferred Capital Contributions	362,629	74,697	109,879	109,689	139,117	97,145	115,490
Spent Deferred Capital Contributions	237,351	38,709	62,656	56,028	81,991	50,523	78,091
Net Assets	$ 125,278	$ 35,988	$ 47,223	$ 53,661	$ 57,126	$ 46,622	$ 37,399
Net Assets is comprised of:							
Accumulated Surplus	$ 121,532	$ 35,883	$ 46,523	$ 51,389	$ 54,196	$ 46,514	$ 37,399
Accumulated Remeasurement Gains and Losses	3,746	105	700	2,272	2,930	108	—
	$ 125,278	$ 35,988	$ 47,223	$ 53,661	$ 57,126	$ 46,622	$ 37,399

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

Comprehensive Community Institutions (continued)

Summary Financial Statements (1)

for June 30, 2016

(in thousands)

	Bow Valley College	Grande Prairie Regional College	Keyano College	Lakeland College	Lethbridge College	Medicine Hat College	NorQuest College
Statement of Operations							
Revenue	$ 102,458	$ 71,441	$ 67,727	$ 68,812	$ 87,738	$ 57,589	$ 87,380
Expenses	90,700	66,878	66,186	64,374	86,173	54,496	85,556
Endowment Contributions and Capitalized Investment Income	351	4	67	176	702	265	98
Annual Surplus	$ 12,109	$ 4,567	$ 1,608	$ 4,614	$ 2,267	$ 3,357	$ 1,922
Statement of Cash Flows							
Cash and Cash Equivalents, Beginning of Year	$ 25,702	$ 2,200	$ 1,950	$ 2,778	$ 28,064	$ 5,999	$ 43,903
Cash Provided by Operating Transactions	13,492	6,005	8,936	6,069	29,852	3,213	46,945
Cash Applied to Organizational Activities	(11,682)	(6,493)	(3,307)	(4,186)	(21,308)	(6,592)	(64,375)
Cash and Cash Equivalents, End of Year	$ 27,512	$ 1,712	$ 7,579	$ 4,661	$ 36,608	$ 2,621	$ 26,473
Statement of Changes in Net Financial Assets (Net Debt)							
Annual Surplus	$ 12,109	$ 4,567	$ 1,608	$ 4,614	$ 2,267	$ 3,357	$ 1,922
Changes to Accounts Relating to Non-Financial Assets	(1,617)	(283)	(13,457)	121	135	227	1,158
Increase (Decrease) in Net Financial Assets (Net Debt) in the Year	10,492	4,284	(11,849)	4,735	2,402	3,585	3,080
Net Financial Assets (Net Debt), Beginning of Year	64,390	(55)	5,662	20,278	27,654	16,738	21,675
Net Financial Assets (Net Debt), End of Year	$ 74,882	$ 4,229	$ (6,187)	$ 25,012	$ 30,056	$ 20,323	$ 24,755
Salary and Benefits of President Positions							
Base Salary	$ 306	$ 358	$ 275	$ 275	$ 290	$ 240	$ 368
Other Cash Benefits (2)	95	—	415	—	81	7	82
Non-Cash Benefits (3)	10	32	25	43	32	44	103
	$ 411	$ 390	$ 715	$ 318	$ 403	$ 291	$ 553

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Comprehensive Community Institutions (continued)

Summary Financial Statements (1)

for June 30, 2016 *(in thousands)*

	Northern Lakes College	Olds College	Portage College	Red Deer College	2016 Totals	2015 Totals (Restated)
Statement of Financial Position						
Financial Assets						
Cash and Cash Equivalents	$ 4,983	$ 11,825	$ 5,620	$ 2,394	$ 131,989	$ 147,340
Portfolio Investments - Non-Endowments	18,660	12,426	1,621	49,511	282,577	261,596
Portfolio Investments - Restricted for Endowments	2,213	9,440	2,325	16,487	80,255	72,986
Investment in Government Business Enterprises	—	2,056	—	—	16,233	16,339
Accounts Receivable	4,017	3,009	1,028	21,882	46,159	21,720
Inventories for Resale	16	948	158	—	3,325	3,388
	29,889	39,704	10,752	90,274	560,537	523,369
Liabilities						
Accounts Payable and Accrued Liabilities	4,997	6,345	2,301	18,066	95,877	90,208
Employee Future Benefit Liabilities	488	—	289	1,825	6,792	6,745
Debt	3,078	—	134	4,869	56,509	55,941
Deferred Revenue	5,197	12,306	2,767	21,876	110,147	114,975
Unspent Deferred Capital Contributions	1,990	3,780	1,678	13,968	53,383	52,590
Liability for Contaminated Sites	—	—	—	—	94	137
	15,750	22,431	7,169	60,604	322,802	320,596
Net Financial Assets	$ 14,139	$ 17,273	$ 3,583	$ 29,670	$ 237,735	$ 202,773
Non-Financial Assets						
Tangible Capital Assets	$ 37,649	$ 72,851	$ 56,202	$ 118,746	$ 1,113,362	$ 1,057,280
Inventories of Supplies	587	—	51	78	1,859	1,486
Prepaid Expenses	329	984	601	1,139	9,573	7,785
	38,565	73,835	56,854	119,964	1,124,794	1,066,551
Net Assets before Spent Deferred Capital Contributions	52,704	91,108	60,437	149,634	1,362,529	1,269,324
Spent Deferred Capital Contributions	29,324	60,577	47,057	94,615	836,922	779,488
Net Assets	$ 23,380	$ 30,531	$ 13,380	$ 55,019	$ 525,607	$ 489,836
Net Assets is comprised of:						
Accumulated Surplus	$ 22,562	$ 30,337	$ 13,230	$ 48,826	$ 508,391	$ 468,474
Accumulated Remeasurement Gains and Losses	818	194	150	6,193	17,216	21,361
	$ 23,380	$ 30,531	$ 13,380	$ 55,018	$ 525,607	$ 489,835

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

Comprehensive Community Institutions (continued)

Summary Financial Statements (1)

for June 30, 2016

(in thousands)

	Northern Lakes College	Olds College	Portage College	Red Deer College	2016 Totals	2015 Totals (Restated)
Statement of Operations						
Revenue	$ 42,245	$ 60,695	$ 37,318	$ 99,550	$ 782,953	$ 757,822
Expenses	39,316	59,670	36,666	95,737	745,752	749,467
Endowment Contributions and Capitalized Investment Income	17	75	—	960	2,715	1,891
Annual Surplus	$ 2,946	$ 1,100	$ 652	$ 4,773	$ 39,916	$ 10,246
Statement of Cash Flows						
Cash and Cash Equivalents, Beginning of Year	$ 13,501	$ 9,386	$ 9,261	$ 4,595	$ 147,339	$ 147,771
Cash Provided by Operating Transactions	3,834	6,353	850	9,268	134,818	87,084
Cash Applied to Organizational Activities	(12,352)	(3,914)	(4,491)	(11,469)	(150,169)	(87,517)
Cash and Cash Equivalents, End of Year	$ 4,983	$ 11,825	$ 5,620	$ 2,394	$ 131,988	$ 147,338
Statement of Changes in Net Financial Assets (Net Debt)						
Annual Surplus	$ 2,946	$ 1,100	$ 652	$ 4,773	$ 39,916	$ 8,355
Changes to Accounts Relating to Non-Financial Assets	(558)	(180)	(1,424)	(399)	(16,277)	(14,272)
Increase (Decrease) in Net Financial Assets in the Year	2,388	920	(772)	4,374	23,639	(5,917)
Net Financial Assets (Net Debt), Beginning of Year	11,751	16,353	4,355	25,296	214,096	208,690
Net Financial Assets (Net Debt), End of Year	$ 14,139	$ 17,273	$ 3,583	$ 29,670	$ 237,735	$ 202,773
Salary and Benefits of President Positions						
Base Salary	$ 224	$ 271	$ 244	$ 331		
Other Cash Benefits (2)	8	43	—	4		
Non-Cash Benefits (3)	37	71	39	107		
	$ 269	$ 385	$ 283	$ 442		

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Specialized Arts and Culture Institutions

Summary Financial Statements (1)

(in thousands)

	for June 30, 2016		for March 31, 2017	
	Alberta College of Art + Design		The Banff Centre	
	2016	2015 (Restated)	2017	2016 (Restated)
Statement of Financial Position				
Financial Assets				
Cash and Cash Equivalents	$ 7,105	$ 6,060	$ 8,784	$ 7,095
Portfolio Investments - Non-Endowments	5,259	4,965	20,738	18,910
Portfolio Investments - Restricted for Endowments	5,412	5,544	38,957	36,182
Accounts Receivable	278	301	4,512	5,628
Inventories for Resale	222	256	250	241
	18,276	17,126	73,241	68,056
Liabilities				
Accounts Payable and Accrued Liabilities	2,451	1,601	8,580	6,132
Employee Future Benefit Liabilities	—	10	3,137	3,291
Debt	62	94	3,301	90
Deferred Revenue	7,515	6,815	30,799	28,064
Unspent Deferred Capital Contributions	—	1,024	2,758	1,997
	10,028	9,544	48,575	39,574
Net Financial Assets	$ 8,248	$ 7,582	$ 24,666	$ 28,482
Non-Financial Assets				
Tangible Capital Assets	$ 4,851	$ 4,549	$ 138,194	$ 132,249
Inventories of Supplies	241	281	153	137
Prepaid Expenses	149	75	1,017	872
	5,241	4,905	139,364	133,258
Net Assets before Spent Deferred Capital Contributions	13,489	12,487	164,030	161,740
Spent Deferred Capital Contributions	3,952	4,135	108,706	111,328
Net Assets	$ 9,537	$ 8,352	$ 55,324	$ 50,412
Net Assets is comprised of:				
Accumulated Surplus	$ 9,537	$ 8,342	$ 55,324	$ 50,412
Accumulated Remeasurement Gains and Losses	—	10	—	—
	$ 9,537	$ 8,352	$ 55,324	$ 50,412

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

Specialized Arts and Culture Institutions

Summary Financial Statements (1)

(in thousands)

	for June 30, 2016		for March 31, 2017	
	Alberta College of Art + Design		The Banff Centre	
	2016	2015	2017	2016
Statement of Operations				
Revenue	$ 23,021	$ 20,599	$ 68,169	$ 64,679
Expenses	22,115	21,337	66,032	64,204
Endowment Contributions and Capitalized Investment Income	289	(59)	2,775	(9,127)
Annual Surplus (Deficit)	$ 1,195	$ (797)	$ 4,912	$ (8,652)
Statement of Cash Flows				
Cash and Cash Equivalents, Beginning of Year	$ 6,060	$ 8,172	$ 7,095	$ 6,656
Cash Provided by Operating Transactions	2,565	588	5,083	4,320
Cash Applied to Organizational Activities	(1,520)	(2,700)	(3,394)	(3,881)
Cash and Cash Equivalents, End of Year	$ 7,105	$ 6,060	$ 8,784	$ 7,095
Statement of Changes in Net Financial Assets				
Annual Surplus (Deficit)	$ 1,195	$ (797)	$ 4,912	$ (8,652)
Changes to Accounts Relating to Non-Financial Assets	(529)	181	(8,728)	191
Increase (Decrease) in Net Financial Assets in the Year	666	(616)	(3,816)	(8,461)
Net Financial Assets, Beginning of Year	7,582	8,198	28,482	36,943
Net Financial Assets, End of Year	$ 8,248	$ 7,582	$ 24,666	$ 28,482
Salary and Benefits of President Positions				
Base Salary	$ 252		$ 300	
Other Cash Benefits (2)	24		50	
Non-Cash Benefits (3)	58		117	
	$ 334		$ 467	

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

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Endnotes

Endnote A *Post-Secondary Graduate Outcomes Survey*

The Graduate Outcomes Survey is conducted every other year. Graduates of Alberta's 25 publicly funded post-secondary institutions are surveyed two years after graduation and asked a range of questions about their educational experience, including their overall level of satisfaction, their satisfaction with any transfer credit received and whether they would recommend their program of study to someone else.

The most recent survey was conducted with individuals who graduated in 2013-14. An independent third-party contractor conducted the survey in 2016, and respondents could take part over the phone or online. A census approach was used to survey graduates who attended institutions with fewer than 1,500 graduates, meaning that all graduates of that institution were invited to participate in the survey. For larger institutions, a stratified sampling approach was used due to the size of the population involved.

Each of the survey's satisfaction questions could be answered with one of the following responses: *very dissatisfied, dissatisfied, satisfied* or *very satisfied*. Satisfaction rates were determined by adding together the *satisfied* and *very satisfied* responses and dividing by the total number of responses to the question (but not including any respondents who answered *don't know* or who did not answer the question). The same procedure was applied for the question associated with measure 2.a, except *agreement* was used in place of *satisfaction*.

The complete survey results are available on **http://advancededucation.alberta.ca/ministry/stats/**

Endnote B *Survey of Apprenticeship Graduates*

The Survey of Apprenticeship Graduates is typically conducted every other year. The most recent survey was conducted with individuals who graduated in 2014-15. Data was collected between November 10, 2015 and January 25, 2016, with surveys completed by 4,869 respondents. The survey uses a census approach to ask recent graduates of apprenticeship programs about their satisfaction and experience with various aspects of the trade program they completed, including their satisfaction with on-the-job and technical training.

An independent third-party contractor conducted the survey in 2016. Graduates were contacted by telephone and/or email and asked questions about their satisfaction with the apprenticeship and industry training system.

In order to maintain continuity and comparability of survey results over time, the 2014-15 graduate survey was implemented based on similar methodology as previous surveys with minor modifications in the questionnaire.

Satisfaction questions could be answered with one of the following responses: *very dissatisfied, dissatisfied, satisfied, very satisfied* or *I don't know*. Satisfaction rates were determined by adding together the *satisfied* and *very satisfied* responses, and dividing by the total number of responses to the question (including respondents who answered *I don't know, not applicable* or did not answer the question).

The complete survey results are available on **https://tradesecrets.alberta.ca/about-us/publications/**

Endnote C *Survey Sampling Considerations*

Ideally, a population is surveyed by using a census approach, that is, collecting data about every member of the population. Analysis of census survey data yields parameters – numbers that describe the whole population. When a census is impractical, data is collected on a representative sample or portion of the population. Analysis of sample survey data yields statistics – numbers that describe part of the population. Provided certain assumptions regarding population distribution and sample randomness are satisfied, calculations based on population and sample sizes may be performed to gauge how well a statistic represents a parameter.

Statistical inference uses sample data to deduce the attributes of a population. The reliability of such a generalization depends on a statistic's precision and accuracy, as expressed by its confidence interval and confidence level, respectively. The confidence interval consists of the statistic calculated from sample data (an estimate of the most likely value of the parameter) and a margin of error on either side of it. The confidence level is the probability that the confidence interval contains the population parameter. Considering every possible different sample of size n that could be selected from a population of size N, the confidence level is the portion of those samples whose confidence intervals contain the parameter.

Survey statistics are usually qualified by a statement of the margin of error followed by the confidence level, e.g. 72 per cent, ±2 per cent at the 95 per cent confidence level. A confidence level of 95 per cent is commonly used in survey design and has been employed in the Post-Secondary Graduate Outcomes Survey and the Survey of Apprenticeship Graduates. The sample sizes for these surveys provided an acceptable margin of error at the specified confidence level. The margin of error for the 2016 survey is ±0.6 per cent, at the 95 per cent confidence level.

Endnote D *Labour Force Survey*

Statistics Canada's Labour Force Survey is used to calculate the percentage of Albertans ages 18-34 who report attending post-secondary programs. The Labour Force Survey is a monthly, Canada-wide survey of a representative sample of households in the provinces and territories. Data is collected on all members of the household who are 15 years of age or older. Albertans living on reserves, inmates of institutions and full-time members of the Canadian Armed Forces are excluded from the survey. In order to account for the fact that many post-secondary students attend school during the fall and winter semesters while working during the summer, the calculation for this measure uses an eight-month average (January to April and September to December).

Statement of Remissions, Compromises and Write-offs

for the year ended March 31, 2017 *(in thousands)*

The following statement has been prepared pursuant to Section 23 of the *Financial Administration Act*. This statement includes all remissions, compromises and write-offs made or approved during the fiscal period.

Compromises under Section 22 of the *Financial Administration Act*	$	30
Bankruptcies:		
Income Support		5
Write-offs:		
Implemented Guarantees, Indemnities, Loans and Advances – Section 20 of the *Student Financial Assistance Act*		1,990
Income Support		1,423
		3,413
Total remissions, compromises and write-offs	$	3,448

Statement of Guarantees and Indemnities given by the Crown and Provincial Corporations

for the year ended March 31, 2017 *(in thousands)*

The following has been prepared pursuant to Section 75 of the *Financial Administration Act*. The statement summarizes the amounts of all guarantees given by the Crown through the Ministry of Advanced Education under the *Student Loan Act* for the year ended March 31, 2017, the amounts paid to financial institutions as a result of the guaranteed loan program, and the amounts recovered on debts owing as a result of payments under guarantees.

	Amount of Guarantee	Payments	Recoveries
Crown Guarantees	$ —	$ 18	$ 28

Annual Report Extracts and Other Statutory Reports

Public Interest Disclosure (Whistleblower Protection) Act 118

Public Interest Disclosure (Whistleblower Protection) Act

Chief officer's annual report

32(1) Every chief officer must prepare a report annually on all disclosures that have been made to the designated officer of the department, public entity or office of the Legislature for which the chief officer is responsible.

(2) The report under subsection (1) must include the following information:

(a) the number of disclosures received by the designated officer, the number of disclosures acted on and the number of disclosures not acted on by the designated officer;

(b) the number of investigations commenced by the designated officer as a result of disclosures;

(c) in the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations made or corrective measures taken in relation to the wrongdoing or the reasons why no corrective measure was taken.

(3) The report under subsection (1) must be included in the annual report of the department, public entity or office of the Legislature if the annual report is made publicly available, and if the annual report is not made publicly available, the chief officer must make the report under subsection (1) available to the public on request.

Summary of inquiries, disclosures, investigations, and reports made under the *Public Interest Disclosure (Whistleblower Protection) Act* for the Department of Advanced Education during 2016-17.

There were no disclosures of wrongdoing for the Department of Advanced Education during 2016-17.

The department's agencies make whistleblower disclosures in their own annual reports. Full information for these agencies are available on their websites.

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Table 1 Enrolment by Sector, Program and Credential Type

	2015-16 Enrolment	2014-15 Enrolment	Year-to-Year Growth	5-Year Total Growth
Sector				
Comprehensive Academic and Research	121,260	121,738	-0.4%	-1.3%
Baccalaureate and Applied Studies	32,876	33,391	-1.5%	-4.6%
Polytechnic	55,814	54,968	1.5%	6.6%
Comprehensive Community *	53,145	52,181	1.8%	-5.1%
Independent Academic	4,811	4,443	8.3%	12.6%
Specialized Arts and Culture	1,213	1,187	2.2%	-8.3%
Total	**264,286**	**263,100**	**0.5%**	**-0.5%**
Program Band				
Business	34,946	35,266	-0.9%	-4.1%
Education	9,636	9,105	5.8%	-1.7%
Health Sciences	38,447	37,191	3.4%	1.8%
Languages, Social Sciences, Arts and Humanities	82,844	83,646	-1.0%	-5.8%
Legal and Security *	4,474	4,296	4.1%	-46.6%
Physical, Natural and Applied Sciences	37,208	37,013	0.5%	2.1%
Preparatory and Basic Upgrading	21,212	20,406	3.9%	0.3%
Recreation	4,221	4,165	1.3%	-12.5%
Trades and Technologists	44,419	44,698	-0.6%	19.4%
Total	**264,286**	**263,100**	**0.5%**	**-0.5%**
Credential Type				
Degree (including University Transfer)	121,403	120,524	0.7%	0.9%
Diploma	39,554	38,073	3.9%	-1.8%
Certificate	49,537	49,658	-0.2%	3.7%
Non-Credential (excluding University Transfer)	64,181	65,041	-1.3%	-8.3%
Total	**264,286**	**263,100**	**0.5%**	**-0.5%**

Source: Advanced Education, Learner and Enrolment Reporting System (LERS)

* The declines in comprehensive community institutions and the legal and security program band are the result of reporting corrections at Lakeland College and Portage College. Five-year growth rate estimates are approximately zero to 12 per cent respectively and the overall five-year growth rate estimate is approximately 0.5 per cent after accounting for the correction.

Table 2 Enrolment by Program Band and Gender, 2015-16

Program Band	Female	Male	Unspecified	Total
Business	19,000 54%	15,940 46%	6	34,946
Education	7,437 77%	2,199 23%	—	9,636
Health Sciences	31,636 82%	6,802 18%	10	38,447
Languages, Social Sciences, Arts and Humanities	53,896 65%	28,856 35%	103	82,844
Legal and Security	2,633 59%	1,840 41%	1	4,474
Physical, Natural and Applied Sciences	14,977 40%	22,225 60%	6	37,208
Preparatory and Basic Upgrading	12,515 59%	8,673 41%	31	21,212
Recreation	2,419 57%	1,802 43%	—	4,221
Trades and Technologists	5,274 12%	39,143 88%	2	44,419
Total	**141,227** **53%**	**122,948** **47%**	**158**	**264,286**

Source Advanced Education, Learner and Enrolment Reporting System (LERS)

Note The sum of each row or column may not equal the total because individuals can be included in more than one row and/or column. For example, an individual may be enrolled in more than one program or report as different genders within the same year.

Table 3 Six Sectors: Post-Secondary Institutions

Comprehensive Academic and Research Institutions

These universities provide undergraduate and graduate degrees, and undertake comprehensive research activity. While instruction remains the core business of the Comprehensive Academic and Research Institutions, research activity is primarily conducted in this sector.

Athabasca University	athabascau.ca
University of Alberta	ualberta.ca
University of Calgary	ucalgary.ca
University of Lethbridge	uleth.ca

Baccalaureate and Applied Studies Institutions

These universities provide undergraduate programming and offer certificate, diploma, applied degree and baccalaureate degree programs in specified areas.

MacEwan University	macewan.ca
Mount Royal University	mtroyal.ca

Polytechnical Institutions

These institutes provide apprenticeship, certificate, and diploma programs geared predominantly to technical careers, and some applied and baccalaureate degrees in specified areas (limited to undergraduate programs).

Northern Alberta Institute of Technology	nait.ca
Southern Alberta Institute of Technology	sait.ca

Comprehensive Community Institutions

These colleges provide a broad range of programming including apprenticeship, certificate, diploma, foundational learning and upgrading. They also provide university transfer (years one and two) and applied degrees. Baccalaureate degrees are provided, when feasible, primarily in collaboration with a degree-granting institution.

Bow Valley College	bowvalleycollege.ca
Grande Prairie Regional College	gprc.ab.ca
Keyano College	keyano.ca
Lakeland College	lakelandcollege.ca
Lethbridge College	lethbridgecollege.ca
Medicine Hat College	mhc.ab.ca
NorQuest College	norquest.ca
Northern Lakes College	northernlakescollege.ca
Olds College	oldscollege.ca
Portage College	portagecollege.ca
Red Deer College	rdc.ab.ca

Independent Academic Institutions

These universities primarily provide liberal arts, science, and education baccalaureate programs.

Ambrose University	ambrose.edu
Burman University	burmanu.ca
Concordia University of Edmonton	concordia.ab.ca
St. Mary's University	stmu.ca
The King's University	kingsu.ca

Specialized Arts and Culture Institutions

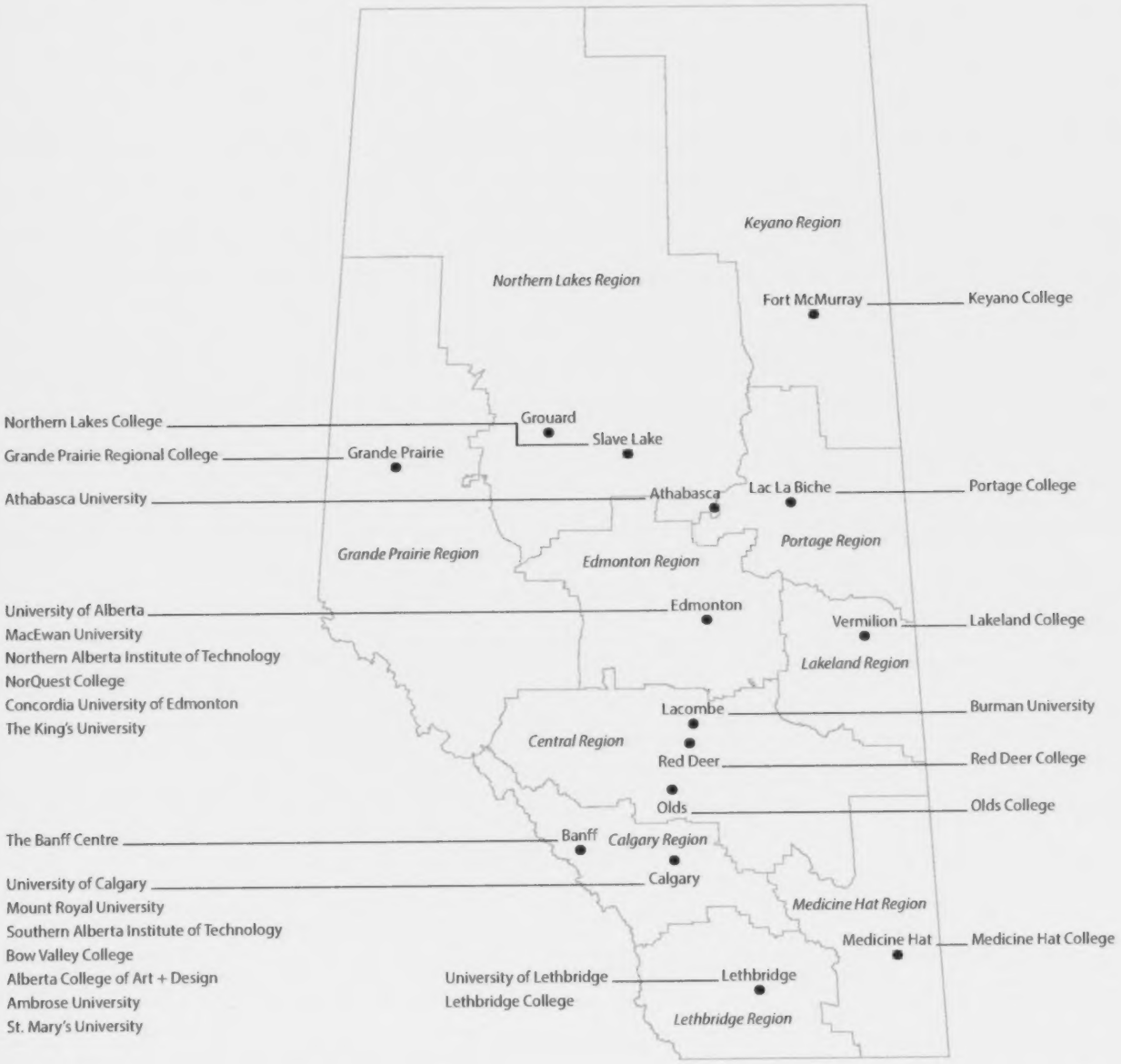
These institutions concentrate on the fine arts, cultural programming and professional development.

Alberta College of Art + Design	acad.ca
The Banff Centre	banffcentre.ca

Source Institutional arrangement under the Six Sector Model
advancededucation.alberta.ca/media/155107/sixsectormodel.pdf

Publicly Funded Post-Secondary Institutions

Main Campuses / *Service Regions*



advancededucation.alberta.ca/ministry/reports/annualreports/